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1995 Expected To Give CIS Integration New Lease on Life

MK3101134095 Moscow KOMMERSANT-DAILY in Russian 31 Jan 95 p 3

[Report by Sergey Tsekhmistrenko under the "CIS Integration" rubric: "Boys, Isn't it Moscow That's Behind Us... (quotation from Mikhail Lermontov's poem 'Borodino'")]

[FBIS Translated Text] Overshadowed by the goings-on in Chechnya, problems that were quite recently in the focus of attention have imperceptibly receded into the background. For instance, integration in the former USSR. Meanwhile, the past few weeks have seen substantial upheavals in this area, giving one grounds to suggest that the scaling down of integrationist processes, characteristic of the second half of 1994, was a temporary retreat. Sergey Tsekhmistrenko analyzes the situation.

Precisely one year ago Russia announced via Andrey Kozyrev "a change of landmarks" in its policy toward the near abroad. The Foreign Ministry chief said then for the first time that the CIS space is a zone of special Russian interests. The change in foreign policy priorities was a consequence of the December elections for the State Duma, which graphically demonstrated to the Kremlin that division lines in society are drawn not only between "communism and democracy," but also between "isolationists and integrationists." The elections showed that the USSR's breakup came as a painful experience for many people, even if at an emotional, everyday level of perception.

As a result, Moscow's CIS policy came to be dominated by integrationist trends, the fertile ground for which was prepared in the Commonwealth itself and which at the same time drew charges of "neo-imperialism" in the West. In the view of Konstantin Zatulin, chairman of the State Duma Committee on CIS Affairs, by the beginning of this year the main debate in CIS capitals was no longer focused on the essence of integration, but on its forms, while presidents and prime ministers who built their careers on defending independence have either departed from the political scene or their fall was already a foregone conclusion. A combination of the above factors has brought about a real shift, first of all in terms of economic integration. The most important result was an agreement on setting up the Interstate Economic Committee (IEC), which can be assessed as the first attempt at creating a supranational coordinating body, one—albeit full of internal contradictions—formed according to the principle of proportional representation (Russia got half the votes). An agreement with Belarus on merging money systems can also be included among achievements of the integration effort. From the political point of view, one should point out the introduction of Russian troops (technically, UN "blue helmets") into the area of the Georgian-Abkhazian conflict—Moscow's first peacekeeping operation in the near abroad.

Despite the progress, many things could not be carried to the end (including that same IEC or the merger of money systems). In Zatulin's view, this is attributable to the Commonwealth's very concept, which was a forced statement of collapse, not a foundation for possible unification in the future. Owing to a lack of a more or less comprehensive integration concept in the Russian Government, it never managed, for instance, to straighten out its attitude to the pro-Russian presidents of Ukraine and Belarus till the end of last year. As a consequence, Leonid Kuchma had to adjust his initial stance, taking into account the views of independence advocates, while on the eve of the May elections for the Belarusian Supreme Soviet the chances of the West-leaning joint opposition under Zenon Poznyak and Stanislav Shushkevich have improved considerably. Second, when planning to bring its troops to Chechnya, the Kremlin does not seem to have calculated the consequences of such a move in terms of draining the integration capacity.

At the same time, Moscow tried to minimize the negative fallout from the Chechen conflict by stepping up its CIS policy at the beginning of the year. Bets were placed on a breakthrough in relations with Belarus, Ukraine, and Kazakhstan. This effort resulted in the formalization of a Russian-Belarusian customs union, later to be joined by Almaty. It is on the Belarusian axis that Russia appears to be heading for the most tangible integration dividend in the very near future. Provided it manages to reverse an unfavorable anti-Russian mood inside Belarus itself by signing concrete economic agreements and giving unequivocal support to its allies in Minsk. And if Lukashenka ventures to hold a referendum on setting up a defense, economic, and political union with Russia together with the elections.

As for Kazakhstan, Nazarbayev's recent visit has shown that a shift toward a union with Moscow has emerged in Almaty. In that regard, Nazarbayev's overtures toward Washington last year look like ordinary soundings designed rather to force Moscow to turn its face to Almaty. Its idea of a Eurasian Union looks increasingly like being meant for domestic consumption—in order to halt an outflow of Russians from the republic and win their votes in the Kazakhstani presidential elections scheduled for 1996. An encouraging sign of a rapprochement between Moscow and Almaty was an agreement in principle between Yeltsin and Nazarbayev on creating joint armed forces, which was seen by analysts as a concession of a bitter fact—that Russians would not serve in the Kazakhstani army—by the Kazakhstani president. However, Zatulin thinks, this is not yet a sufficient guarantee of the irreversibility of Almaty's foreign policy priorities: only a federal arrangement in Kazakhstan and a solution on the dual citizenship problem would give Russia such a guarantee. But Nazarbayev is unlikely to agree on that.

Ukraine is a more complex matter. The main problem with it is how finally to translate the favorable spirit of Russian-Ukrainian summits into decisions on specific

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matters. In the meantime, Russia expects to use economic arguments in its dialogue with Ukraine in a more effective fashion. All the more so because the setbacks of Ukrainian reform are objectively pushing Kiev toward Moscow's embrace.

ITAR-TASS Carries Press Review for 1 Feb

LD0102084895 Moscow ITAR-TASS in English 0606 GMT 1 Feb 95

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow February 1 TASS—Today's Russian newspapers continue to front-page events from the Chechen Republic. However, materials dealing with the Chechen crisis start to give more space to social and economic consequences of the Chechen war.

For instance, the ROSSIYSKIYE VESTI newspaper examines the problem of mercenaries. The newspaper describes one of them—Oleg Kharchuk from Ukraine—who was recruited by Chechens and sent to Chechnya to earn "big money".

The daily writes that "it is an established fact now that Dudayev's troops include Afghan mujahideen, Baltic 'white tights' (eds: women sharpshooters from the Baltics), Ukrainian nationalists, Jordanians of Chechen origin and ... Even Russian 'wild geese'.

"The mafia paid millions of dollars to mercenaries for hundreds of Russian soldiers fallen in Chechnya," the newspaper concludes.

The ROSSIYSKAYA GAZETA newspaper argues with well-known human rights activist Sergey Kovalev concerning the notion "patriotism". The newspaper defends "patriot Pushkin" whom Kovalev tried to describe as a poor patriot in one of his TV interviews, "claiming that notorious chief of tsarist police Benkendorf was a greater patriot than Pushkin".

The NEZAVISIMAYA GAZETA newspaper runs an interview with Kovalev which he gave to the newspaper in Strasbourg. Kovalev, a Russian parliament member, who addressed the Council of Europe parliamentary assembly, describes his idea of a settlement in Chechnya.

He claims that there is no alternative to a resumption of talks of the opposing sides in Chechnya. In Kovalev's opinion, "it will be a blasphemy to admit Russia to the Council of Europe now".

"It is a blasphemy to admit a country waging a war against its own people, a war with a tint of genocide," he said.

Writing in the IZVESTIYA newspaper, politologist Leonid Radzikhovskiy shares his ideas about consequences of the Chechen war which can destroy democracy in Russia.

Examining reasons splitting the democratic camp as a result of the Chechen crisis, he draws the conclusion: "The Chechen war has not destroyed democracy in Russia. It gives another chance to democratic politicians".

Under the heading "Russian Authorities Secretly Create Shadow Economy", the newspaper prints an article describing attempts by authorities to join such a profitable business as oil trade.

IZVESTIYA reports that the Rostoplivo joint-stock society was put by the Ministry for Foreign Economic Relations on the list of "special exporters who won the right to trade in oil". It turns out that this society was set up "to finance programmes of the business department of the Russian president's office".

The PRAVDA newspaper is interested whether there is a danger of fascism in Russia. Under the heading "Parade of Daltonians", the newspaper claims that such a danger exists.

"The growth of Russian nationalism which can develop into nazism is only a response to extreme radicalism of present reforms, to hastiness with which authorities want to turn Russia into part of the world capitalist system, is a response to disregard for its peculiar features and possibilities," the daily writes.

The TRUD newspaper carries an article by notorious leader of the Liberal Democratic Party of Russia (LDPR) Vladimir Zhirinovskiy who expresses his ideas concerning "the decade since the start of perestroika (eds: ongoing reforms in Russia)".

The newspaper notes that the LDPR leader, with a gusto intrinsic to him, "seeks to find out what the price and consequenses of perestroika are, who won and who lost, what Russians received as a result of Gorbachev's global gamble", as Zhirinovskiy calls the present-day reforms.

Writing in the RABOCHAYA TRIBUNA newspaper, prominent scholar Zhores Medvedev raises the problem of "Chinese illegal settlers who flooded southern Siberia and the Russian far east".

Medvedev claims, referring to official data, that great numbers of legal and illegal Chinese nationals infiltrate into southern areas of Russian eastern regions. If this trend persists, "a Chinese majority" may appear in russian border regions in another 20 years.

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U.S. Trying To 'Force Russia and Ukraine Apart'

MM0102102395 Moscow ROSSIYSKAYA GAZETA in Russian 28 Jan 95 First Edition p 13

[Article by Boris Filippov: "America Does Not Welcome Rapprochement Between Neighbors. By Giving Aid to Ukraine United States Is Creating Favorable Climate for Own Penetration of Region"]

[FBIS Translated Text] In November 1994 L. Kuchma made his first foreign visit as head of state not to Russia, as was expected and implied from his preelection speeches, when he tirelessly spoke of the need for integration with the great neighbor when trying to win the electorate's sympathy in the east of the country, but to the United States. The point is not that Kuchma and his team would like to play the "American card" in their relations with Russia. It is simply that it is now vitally important for Ukraine to win the favor of the Western world's leader with the aim of obtaining real financial aid to carry out economic reforms, becoming stable in the current multipolar international relations, and solving other important questions. Nevertheless the development of U.S.-Ukrainian relations cannot be considered without taking account of the Russian factor.

The Clinton administration highly rates Kuchma's activity since he assumed the post of president in successfully solving two problems which, in Washington's opinion, determine Ukraine's future: First and foremost these are economic reforms and nuclear policy. Ukraine is getting rid of the nuclear warheads left on its territory following the Soviet Union's disintegration and is joining the Treaty on the Nonproliferation of Nuclear Weapons, which accelerates the process of cutting nuclear weapons within the framework of the START I Treaty. The United States and Russia are naturally relying on expedited implementation of this treaty.

The United States has now openly started talking about the importance of expanding trade and investment relations with Ukraine and it has been given trade concessions in accordance with the general system of references.

As of today the total sum of U.S. aid to Ukraine stands at $900 million. Ukraine has become the world's fourth-largest recipient of U.S. aid after Israel, Egypt, and Russia. The United States has already given Ukraine $282 million for economic and humanitarian purposes. It intends to give an additional $200 million in the form of technical aid for assisting structural reorganization and the development of democratic institutions. Furthermore, the United States has decided to allocate an additional $100 million for settling the balance of payments and clearing the Ukrainian foreign debt, and $25 million is being given in the form of a loan to import food from abroad.

During Kuchma's U.S. visit Commerce Secretary Ronald Brown and Serhiy Osyka, Ukrainian minister of foreign economic relations, signed a joint statement under which the United States is to start viewing Ukraine as a country with a transitional economy.

World Bank President Lewis Preston stated in turn that if Ukraine continues to move toward the stabilization of its economy and market reforms it could receive credits totaling $500 million to strengthen such sectors as health care, agriculture, and power engineering. At the end of last year Ukraine obtained a $371-million IMF loan.

On the United States' initiative a special plan concerning Ukrainian energy requirements as a whole and also a solution to the problem associated with the continued operation of Chernobyl AES [Nuclear Electric Power Station] was adopted at the July 1994 G-7 meeting in Naples.

The process of developing U.S.-Ukrainian cooperation is going on even when Republicans, who are in favor of cutting foreign aid levels, have won the majority of seats in Congress. Although this is no threat to Ukraine for the time being. Because it is known that the Republicans are much more afraid than Democrats of Russian intentions to play a leading role in the post-Soviet area and are more favorably disposed toward Ukraine than Democrats.

When analyzing the state of U.S.-Ukrainian cooperation, especially if it concerns economic, technological, and financial questions, its one-sided nature is striking. But these are serious investments for the future. By giving aid to Ukraine the United States is trying to create a favorable climate for its own wholesale penetration of the region.

When working out its strategy on the political plane, Washington is also trying to force Ukraine and Russia as far apart as possible in order to reinforce the geopolitical situation that has developed following the USSR's disintegration. Influential lobbies among Americans of Ukrainian extraction are putting pressure on the U.S. establishment in this direction.

Conversely Moscow, despite the fact that its relations with Kiev are burdened by the problems of nonpayments, the Black Sea Fleet, and the Crimea, will do everything in its power to entice Ukraine toward closer cooperation within the CIS framework.

U.S. Embassy 'Epicenter of Human Rights Violations'

LD0102085695 Moscow ITAR-TASS World Service in Russian 0631 GMT 1 Feb 95

[By ITAR-TASS correspondent Viktor Yelmakov]

[FBIS Translated Text] Novosibirsk, 1 Feb—State Duma deputy Vasiliy Lipitskiy has called on the Russian Foreign Ministry to address the U.S. Government, having pointed out that the mass violation of human rights committed by the U.S. Embassy in Moscow is impermissible. Vasiliy Lipitskiy addressed his fellow

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deputies, public, and political figures of Russia, calling upon them to boycott any events held by the U.S. Embassy in Moscow until it gives guarantees that it will observe the rights of Russian citizens.

The U.S. Embassy in Moscow has turned into the epicenter of human rights' violation in Russia, Vasiliy Lipitskiy claims. His statement, which is published in the newspaper 'SOVETSKAYA SIBIR' today, notes that anyone who wishes to visit the United States is faced with the humiliating necessity to prove that he does not intend to remain there illegally in order to take up residence. Vasiliy Lipitskiy writes that refusal may often be due to a citizen's marital or property status. In other words, in actual fact a qualification has been introduced which contradicts the principle of equality of opportunity for citizens. Visitors to the Embassy are greeted haughtily, disdainfully, and sometimes rudely by the staff.

This is not the first time that Vasiliy Lipitskiy, who is also co-chairman of the Russian Social Democratic Union, has raised the question of the violation of human rights by the U.S. Embassy in Moscow. In particular, a statement by deputy Vasiliy Lipitskiy making similar allegations was circulated in the Russian Federation State Duma on 24 January.

Duma Deputy Lipitskiy Condemns U.S. Visa Procedures

MM3101121195 Moscow RABOCHAYA TRIBUNA in Russian 31 Jan 95 p 2

[Report by Olga Koroleva: "The U.S. Embassy Violates Human Rights, State Duma Deputy Vasiliy Lipitskiy Believes"]

[FBIS Translated Text] We are good friends with America. Now every Russian Federation citizen who wishes to visit the United States is obliged to prove that he is not going there "for ulterior purposes" ["s kontsami"]. If he cannot do so, they quickly turn him down. In adopting a decision to issue a visa, embassy staffers take into account age and status with regard to family and means. Frequently the reason for a refusal is not reported at all. On the other hand, all "refuseniks" have their Russian passport marked with a stamp that is equivalent to being entered on a "blacklist."

It is interesting that for some reason our numerous human rights organizations prefer to keep quiet about this violation of the rights of Russian citizens. Politicians have had to intercede for our fellow citizens.

Vasiliy Lipitskiy, deputy of the Russian Federation State Duma, has issued a statement condemning the U.S. Embassy's actions. He emphasized that the qualifications introduced by the Americans run counter to the principle of equal opportunities for citizens, restricts their right to free movement, and violates the presumption of innocence. The mission of a country which in the past made a considerable effort to protect human rights in the USSR and in Russia has itself essentially become a violator of human rights. They do not stand on any particular ceremony with Russians and treat them arrogantly, scornfully, and sometimes even rudely.

What is to be done? To draw attention to this problem, Vasiliy Lipitskiy has proposed that the Russian Federation Ministry of Foreign Affairs approach the U.S. Administration. In addition, the deputy has urged his colleagues and all Russian public figures to boycott events organized by the U.S. Embassy until it stops violating human rights. The embassy is silent.

Karasin Regrets 'Outbursts' in U.S. Congress

LD3101155795 Moscow INTERFAX in English 1453 GMT 31 Jan 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] Moscow, Jan 31 (INTERFAX)—Russia has regrets about the recent "outburst of confrontation" in the U.S. Congress, the Russian Foreign Ministry spokesman Grigoriy Karasin stated during a briefing on Tuesday. He said that "some congressmen have been trying to undermine the positive tendency in Russian- American relations and throw them back to the Cold War times."

"Calls have been made to punish Russia and link the future of our relations with terms incompatible with the basic principles of international law and ethics," said Karasin.

He also said that "attacks on partnership with Russia were aimed, among other things, at scoring inner political accounts on the eve of the forthcoming election battles."

He warned that "the outburst of confrontation" may entail serious complications in Russian-American relations and goes against the national interests of the U.S.

Our partnership is too important for the future of the world to allow anyone to make it hostage to momentary interests and inter- party clashes," said Karasin.

Iraq 'Ready To Help' Resolve Kuwaiti POW Issue

LD3101191295 Moscow ITAR-TASS in English 1853 GMT 31 Jan 95

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow January 31 TASS—Russia is ready to help gradual lifting of U.N. sanctions against Iraq in the course of Iraqi fulfilment of Security Council requirements, Russian Prime Minister Viktor Chernomyrdin told chairman of the Iraqi National Council Sa'di Mahdi Salih here today. After the sanctions are lifted, Russia is ready to fully restore bilateral cooperation, noted Chernomyrdin.

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The sides discussed a possibility of future fulfillment of major Russian-Iraqi oil and gas projects, construction and the Iraqi use of Russian high technologies.

The Russian side believes that clarified fate of the Kuwaiti MIA and the Iraqi return of property to Kuwait will help to lift the sanctions.

Sa'di Mahdi Salih thanked Russia for doing everything to lift the U.N. sanctions against Iraq and said that the Chechen situation is an internal affair of Russia.

"Russia will not be able to work for gradual lifting of the U.N. sanctions against Iraq if the problem of Kuwaiti POW is not settled. This problem is in the focus of international attention," Deputy Russian Foreign Minister Viktor Posuvalyuk told ITAR-TASS after the negotiations. He said that the Iraqi return of property it seized from Kuwait, primarily the military one, is also topical. Russia is holding a dialogue on the issue with the Iraqi side, added Posuvalyuk.

Iraq is ready to help the initiative of General Dmitriy Volkogonov and his committee to gain information on MIA and search for Kuwaiti soldiers, the Iraqi parliament chairman told correspondents. Representatives of the Volkogonov commission have recently visited places of possible location of the Kuwaiti POW in Iraq. The Russian side is studying ways to settle the humanitarian aspect of this problem, said Posuvalyuk. Corresponding issues are being discussed by the International Red Cross Commission in Geneva, which is attended by Iraq, added Sa'di Mahdi Salih.

Chernomyrdin Favors 'Gradual' Easing of Iraq Sanctions

LD3101171795 Moscow ITAR-TASS World Service in Russian 1620 GMT 31 Jan 95

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Translated Text] Moscow, 31 Jan—Russia continues to be willing to facilitate the gradual lifting of UN sanctions against Iraq as Bagdad continues to comply with the requirements of the Security Council. This was confirmed today by Viktor Chernomyrdin, prime minister of the Russian Federation, at a meeting with Sa'di Mahdi Salih, chairman of the National council (parliament) of Iraq. Viktor Chernomyrdin underlined that later Russia would be willing to restore full cooperation between the two countries.

Kozyrev Says Japan Offered To Buy Disputed Islands

OW0102034895 Tokyo KYODO in English 0324 GMT 1 Feb 95

[FBIS Transcribed Text] Moscow, Jan. 31 KYODO—Russian Foreign Minister Andrey Kozyrev discloses in his memoirs that Japan has offered to buy the disputed islands off Hokkaido as a compromise to solve the territorial issue, according to a recent Russian newspaper report.

SEGODNYA, an independent paper with a circulation of some 100,000, reporting on an excerpt from Kozyrev's soon-to-be-published memoirs, revealed that "various deals" were proposed by Japan before visits to Tokyo by former Soviet President Mikhail Gorbachev and Russian President Boris Yeltsin.

The leak, apparently made intentionally to protest Japan's posture, suggests the Russian foreign minister is reluctant to take up the territory issue or visit Japan. An informed source in Moscow told KYODO NEWS SERVICE that his visit now "will not produce any results."

Japan and Russia are currently making arrangements for Kozyrev's planned visit in February or March.

The islands of Shikotan, Etorofu, Kunashiri, and the Habomai group of islets, seized by the Soviet Union at the end of World War II, have long been a source of bickering between Tokyo and Moscow.

Japan claims sovereignty over the islands off its northernmost main island of Hokkaido, calling them its "northern territories."

The excerpt says that "one leader of the Liberal-Democratic Party" (LDP) offered to "buy the islands at 28 billion dollars" when he visited Moscow before Gorbachev visited Tokyo in April 1991.

Also before Yeltsin's visit, in October 1993, the Japanese side offered "various deals" through its ambassador in Russia, Kozyrev reportedly reveals in the excerpt.

These memoirs appear to confirm earlier reports that then LDP Secretary General Ichiro Ozawa, during a visit to Moscow in March 1991, secretly proposed economic assistance worth 28 billion dollars as a condition for return of the islands.

They also underscored the perception that the Russian side interpreted Japan's stance during Yeltsin's visit as linking the territorial issue with economic assistance.

North Korea Said Interested in Russian Light-Water Reactor

LD3101130395 Moscow ITAR-TASS in English 1230 GMT 31 Jan 95

[By ITAR-TASS correspondent Andrey Kirillov]

[FBIS Transcribed Text] Moscow January 31 TASS—North Korea is interested in getting Russian-made light-water reactors to replace its heavy-water ones which cause suspicion of a possible a- bomb production in the country, according to a Russian high-ranking Foreign Ministry official.

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"The North Korean side reiterated its interest in getting Russian light-water reactors because they are reliable and the personnel is familiar with them", Yevgeniy Afanasyev, director of the first Asian department of the Foreign Ministry told TASS on Tuesday after returning from Pyongyang where he had a meeting with North Korean Deputy Foreign Minister Li In-gyu.

"The latest contacts between our countries were very constructive which is a new phenomenon in bilateral relations", Afanasyev said adding that both sides "displayed a wish to intensify contacts and dialogue and consider concrete cooperation issues". In particular, joint events to celebrate the 50th anniversary of the liberation of Korea were discussed.

Russia, according to him, supported the dialogue between the north and south about the reunification of Korea on a peaceful and democratic basis.

However, "one is to be very cautious in the sphere of replacing the former system of armistice on the Korean peninsula by a new one", Afanasyev said.

Karasin Notes Concern Over Troop Terrorism in Georgia

LD3101203995 Moscow ITAR-TASS World Service in Russian 1418 GMT 31 Jan 95

[By ITAR-TASS diplomatic correspondent Valeriy Sevryukov and Vladimir Suprun]

[FBIS Translated Excerpt] Moscow, 31 Jan—A conversation took place at the Russian Federation Foreign Ministry today with the Georgian ambassador in Moscow, Vazha Lordkipanidze, in connection with a second terrorist act against Russian border troops in Tbilisi on 30 January. Grigoriy Karasin, the director of the Russian Federation Foreign Ministry's press and information department, reported this at a briefing. [passage omitted]

Karasin is of the opinion that both explosions were the work of a terrorist group protesting the presence of Russian military subunits in Georgia. The aim of these acts was to frighten Russian servicemen and their families.

The Russian embassy in Tbilisi sent a protest note to the Georgian Foreign Ministry regarding the terrorist acts. The Russians expresses confidence that the responsible bodies in Georgia will take all necessary measures to find and punish the culprits as well as to step up security and protection of Russian establishments on the republic's territory.

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Political Issues

Rybkin: Russia Must Join Council of Europe

LD3101143095 Moscow Radio Rossii Network in Russian 1200 GMT 31 Jan 95

[FBIS Translated Text] State Duma Speaker Ivan Rybkin believes that Russia must definitely become member of the Council of Europe. He said this today in Moscow during a meeting with Willy Wimmer, vice president of the OSCE Parliamentary Assembly. The speaker underlined that the European Community will be making a serious political mistake if it makes a negative decision on this matter.

Rybkin said that if observers from the Council of Europe had come to Chechnya in the fall of 1991, when Dzhokhar Dudayev's supporters came to power by means of a coup, the events that followed could have been completely different.

Willy Wimmer noted that Western Europe fails to understand the developments in the Chechen republic. He wanted to know why the Russian federal power did not react to the situation in Chechnya for more than three years, and why such brutal force was used at present?

Answering these questions, the speaker of the State Duma said that the commission for investigating the cause of the Chechen crisis, set up by the Russian president, will have to establish why in 1992 the government started making strange gestures toward Dzhokhar Dudayev's illegal regime.

Dudayev Warns 'Islamic War Will Start on Russian Soil'

BR3101151895 Rome L'ESPRESSO in Italian 3 Feb 95 p 88

[Telephone interview with General Zhokhar Dudayev, Chechen "president," at unknown location by Savik Shuster in Moscow; date not given: "Careful, Yeltsin! I Will Scourge Russia"]

[FBIS Translated Excerpt] [Passage omitted] [Shuster] Mr. Dudayev, how can you still believe in a political solution to the war? Looking at developments from Moscow, it is difficult to see on what basis negotiations can proceed...

[Dudayev] Clearly confusion reigns in Moscow. In fact, Boris Yeltsin and Prime Minister Viktor Chernomyrdin have lost control of the situation. Their orders are not being followed. For example, Chernomyrdin promised our envoys in Moscow a cease-fire, but the generals in the field did things their own way.

[Shuster] However, President Yeltsin said he had no intention of negotiating with you...

[Dudayev] If he will not negotiate with me, whom will he negotiate with? Yeltsin has no choice, he must negotiate with whoever is effectively in power, and that means me.

[Shuster] The media in Moscow are saying that the Chechen fighters have changed their attitude to Russian prisoners of war. Previously you were merciful. Now you are becoming cruel...

[Dudayev] That is a lie. The opposite is true. The Russian generals have organized a colossal pillage of our towns and villages. Besides—I find it difficult to come to terms with this, even though I am a soldier, a general—the Russians are taking no prisoners. They kill, and that is it. As a matter of fact, they are dealing in the bodies of our casulaties. My followers are telling me that the Russians are selling the inner organs of our fallen youths. They are merciless. They have left the corpses of their own soldiers (there are thousands of them strewn all over Groznyy) to the dogs and cats. We told them: Let's have a cease-fire, collect the bodies, bury them. They refused.

[Shuster] But if there is so much hatred between the two sides, how can you talk about a political solution?

[Dudayev] We have no choice. We must first agree on a cease-fire. Then the Russian Army must withdraw. Finally, we must sit down at the negotiating table to discuss future relations betwen Russia and Chechnya.

[Shuster] Taking Chechnya's independence as a starting point? But not a single country in the world has recognized you.

[Dudayev] Chechnya's independence has been decided by the sovereign people. And I am not interested in what Bill Clinton and Helmut Kohl think or say about this.

[Shuster] Mr. Dudayev, if no political solution can be reached, what means are you counting on to continue the war?

[Dudayev] Our tactics? First of all, an escalation of the armed conflict. Then a period of guerrilla warfare that may well last 50 years, or longer. This conflict will make Russia suffer. War is already spreading to the neighboring republics: Ingushetia, Daghestan, Ossetia. Moreover, there are Russian towns near us: Sochi, Krasnodar, Kislovodak, Pyatigorsk, Stavropol, Astrakhan. Some day they may burn, like our own Groznyy...

[Shuster] You seem certain you will win...

[Dudayev] You see, the Russians have only left us the choice between living under a yoke, and death. We prefer to die. In any case, we will soon have the means of fighting back—even against Russia's aircraft. I cannot tell you, though, what means we will use or where they will come from.

[Shuster] When you speak of the possibility of war spreading to the whole of Russia, do you have a specific strategy in mind?

[Dudayev] This is not wishful thinking. It is a precise plan. Yelstin is warned: If there is no peace in Chechnya, his Russian cities will burn. An Islamic war will start on Russian soil.

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Stepashin on Chechnya, Role of Counterintelligence

Moscow ITAR-TASS World Service in Russian 0110 GMT 1 Feb 95

[FBIS Translated Text] Moscow, 1 Feb—There was no alternative solution to the Chechen problem. This thought was expressed by Sergey Stepashin, head of the Federal Counterintelligence Service (FCS), in an interview to the ARGUMENTY I FAKTY weekly to be published in the February issue of the journal.

Dudayev's regime is illegal. He came to power as the result of a state coup. He did not want to hold talks with the federal authorities because he was preparing for war, the chief of the FCS says. Sergey Stepashin also cites a number of facts bearing witness to Dudayev's criminal activities, which destroyed Chechnya's economic and financial system and encroached upon the federal system. The FCS head said in particular that Dudayev had accomplices in Moscow "in the ministerial chain and in private business." "A powerful commission is working on bringing these facts to light. We have already obtained a large amount of material. A number of investors, persons involved in the export of oil, are figuring in this," Stepashin noted.

As for those who armed Dudayev and allowed him to talk to Moscow from a position of strength—those responsible, and "the beginning of the 'surrender' of our armed forces and our weapons" in Chechnya, should be sought in the Soviet Union, he said: "Over three years, the man who usurped power and deceived everyone begins quite calmly to arm, to create an army of his own, and no measures are taken against him." According to the FCS head, Ruslan Khasbulatov also had a hand in this.

The Federal Counterintelligence Service has drawn serious conclusions from the "Chechen campaign", S. Stepashin noted. "Our special service should be strong, invested not only with analytical and information functions and not only with the opportunity to forecast and propose, but also to do something."

The head of Russian counterintelligence thinks that there is no danger of "a drawn-out partisan war in Chechnya." Dudayev does not have the base for that. "When work to restore the economy begins, when people feel they are beginning to live better—what do they need war for? But acts of sabotage and terrorism are possible for quite a long time," Sergey Stepashin thinks.

In the ARGUMENTY I FAKTY interview, he confirmed press reports that mercenaries from Ukraine, Lithuanian, Afghanistan, Egypt, Jordan, Abkhazia, and... Russia were fighting on the side of Dudayev's bandit formations in Chechnya. The head of the FCS categorically rejected the thought that "Arab terrorists will now switch their attention from the United States and Israel to us, to those who have also begun to fight against Islam."

"The events in Chechnya may be assessed in different ways politically," Sergey Stepashin said in conclusion. "But what our soldiers from the private to the general are doing there is a heroic deed. It seems to me that this is the future backbone of the Russian Federation's present armed forces."

Arrest Warrant Issued for Dudayev; Charged With Treason

LD0102110995 Moscow ITAR-TASS in English 1056 GMT 1 Feb 95

[By ITAR-TASS correspondent Yuriy Shcherban]

[FBIS Transcribed Text] Moscow February 1 TASS—The office of the Russian prosecutor general issued on Wednesday a warrant to arrest Chechen rebel leader Dzhokhar Dudayev and a search for him has been launched by Russian police.

TASS learned from the office of the prosecutor general that Dudayev is accused of committing four crimes, including treason which in itself is enough to get a death sentence.

"He is accused of committing the crimes envisaged by the following articles of the Russian criminal code: Article 64—treason, Article 70-1—calls to stage crimes against the state, Article 133-1—violation of the legislation on referendum, Article 74—violation of national and racial equality", TASS was told at the office which added that the charges were brought against Dudayev after "the facts of creating armed units, of terrorism and other violations of law on the territory of the Chechen Republic were considered".

"Enough evidence has been gathered which gives grounds to accuse Dzhokhar Musayevich Dudayev of committing deliberate actions to sieze power in the Chechen-Ingush Republic, impede the activities of its constitutional bodies of power, instigate ethnic, social and religious strife on its territory", the office said in a statement which referred yet to the times when Dudayev disbanded the parliament of Chechnya and Ingushetia which were a single entity at the time. Later he split from Ingushetia and proclaimed independence from Russia.

Gen Gromov Questions Grachev's Chechnya Policy

BR3101134495 Paris LE FIGARO in French 31 Jan 95 p 3

[Report on interview with General Boris Gromov, Russian deputy defense minister, by Laure Mandeville in Moscow; date not given: "Boris Gromov: The Generals Have Been Deceived"]

[FBIS Translated Text] Moscow—"If I am fired, I will find a way of continuing to serve Russia. There are many people who support me in the Army and in society. They will not abandon me..." It is General Boris Gromov who

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is speaking. Threatened by Defense Minister Pavel Grachev, the number two in the Russian military hierarchy is determined to stand firm. Even though he says he "distrusts all the existing parties," he does not rule out the possibility of going into politics.

For the time being, the man is still in his post as deputy defense minister. He has not been punished for the diatribe which he launched against the intervention in Chechnya... "There is talk of an edict signed by Boris Yeltsin; but nobody has seen any sign of it."

The deputy minister received us in his official office under a portrait of General Suvorov who, since his exploits in the reigns of Catherine the Great, is regarded as the greatest Russian officer. The room is huge, the furniture massive, and the doors heavy to push... "This was Zhukov's office," Gromov explained proudly. It was here that the World War II hero, too popular in the view of Nikita Khrushchev, learned of his disgrace in 1957...

Today it is Gromov's turn. The last commander of the troops in Afghanistan who then had a certain General Pavel Grachev among his subordinates, is awaiting confirmation of his firing.

He is not the only one. Two other deputy ministers are in Grachev's sights: General Valeriy Mironov and Georgiy Kondratyev. They too opposed the use of armed force against the Chechens.

The three men know very well that their positions are very precarious because a "reform" of the leadership of the Defense Ministry has just promoted three other generals to the post of deputy ministers and the number of posts has not changed.

"The final split between Grachev and I dates from October 1993," Gromov explained. "I was then categorically opposed to using armed force against the Parliament. It was not his role but that of the Interior Ministry forces. The Chechen adventure and the defeats we are suffering over there have only strengthened my convictions."

Impossible Victory

The conditions in which the operation has been set up leave the deputy minister stunned. "Why did Grachev agree to lead the Army into this adventure? Was it the president who made the decision? Was it the prime minister? This affair was launched without any planning and amid the greatest secrecy. Even we, the deputy ministers, were not informed..."

The general continued: "Chechnya is an integral part of Russian territory." It is not the decision to restore order in the Muslim province which he criticizes. "But was it necessary to lump together Dudayev and the whole Chechen people? Was it necessary to destroy an entire republic? Was it necessary to draw Russia into the war without any preparation? If the Interior Ministry troops were not ready, we should have waited. A war needs planning."

According to him, a victory on the ground is impossible: "Have you ever seen an army triumph over an entire people? It is possible to raise a flag over Dudayev's presidential palace and declare that Groznyy has been captured, but that is all temporary... We will never be able to defeat the Chechen people..."

Boris Gromov defended the troops: "It is not the Army's incompetence which is being made obvious—quite the reverse, it is managing quite well—but the incompetence of the people who planned the intervention. I have the impression that the generals, installed in the rear base of Mozdok, did not know what was expected of them. They were deceived."

The Army will suffer from the repercussions of Chechnya for a long time: "For the first time, soldiers have been launched against their people on a massive scale, with the air force, tanks, with all the resources of a real war. The Army had already intervened...against the Lithuanians in Vilnius in 1991, against the Parliament in Moscow in October 1993. But those were not real wars. This time, it is a real war and there is a risk of speeding up the fragmentation of the Army."

What Russia lacks most at present, according to this 50-year old general who has something of the intellectual about him, is a sense of responsibility. "Nobody wants to take responsibility. The decisions are made without any prior thought, without analyzing the possible consequences. What is the Ministry of Nationalities doing? How could it have allowed such a disastrous policy in the Caucasus?"

Gen. Boris Gromov was for a long time classed among the Communist Conservatives. But unlike the section of the political class which is calling for an authoritarian regime, he refuses to accept the idea that democracy is not made for Russia. "The problem," he said, "is that we do not know what we want or where we are going, toward what kind of Russia and what kind of society... The danger is that this uncertainty and this amateurism will leave the way free for demagogues like (extreme nationalist—LE FIGARO editor's note) Vladimir Zhirinovskiy."

It is striking to note how close Gen. Gromov's statements are to those of Gen. Aleksandr Lebed, respected commander of the 14th Army (Dniester region). The latter, a powerful orator, also reveals the Army's malaise. Are we to believe that these two officers represent the opinion of a body of generals overwhelmingly hostile to Defense Minister Pavel Grachev?

Price of Blood

Boris Gromov prudently refused to answer the question. But his entourage openly mocks the defense minister and explains that at least two thirds of his superior officers condemn his policy.

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The figure could explain the delays surrounding the firing of Boris Gromov: The defense minister has already been destabilized by accusations of corruption; he has no interest in aggravating the discontent which has been smoldering since the start of the Chechen crisis.

Boris Gromov does not approve of the term "revolt" by the generals. "The military are simply proving that they attach a higher price to the blood being shed than to their positions. With or without epaulets, it is impossible to accept what is happening in Groznyy without doing anything."

Is a military putsch possible in Russia? "The people who form the rank and file of the Russian Army have been trained to faithfully serve the state," Gromov said. "For the military to decide to seize power, the state would have had to collapse and be in a state of total decay. That is not yet the case."

Economic Issues

Chernomyrdin: Financial Stability Priority Task

LD0102112795 Moscow ITAR-TASS in English 1117 GMT 1 Feb 95

[By ITAR-TASS correspondent Igor Ivantsov]

[FBIS Transcribed Text] Moscow February 1 TASS—"Financial stability, creation of a favourable investment climate, acceleration of reforms in key economic areas, and steps to prevent the deteriortion of social standards will be among the government's priority tasks in 1995," Russian Premier Viktor Chernomyrdin told an enlarged meeting of the collegium of the Russian Ministry for Railways here today.

Touching on problems of financial stability, Chernomyrdin stressed: "We are simply bound to achieve it this year". He noted, further expounding on this problem, that the government should secure a turning point in the dynamics of the inflation processes, should overcome the inconsistency of the financial policy, should ensure a more even financing of state expenditures, should form new mechanisms to overcome the budget deficit without the emission of new money, and should also create a civilised system of payments and settlements.

The second task, the premier believes, is to put into operation the mechanisms for stimulating private investments, accumulations and other savings. He stressed that it was necessary to make the investments more effective. Opportunities of the stock-exchange market will be used more actively for this purpose, he said, and money will be attracted from the population by commercial banks. Moreover, more active use will be made of instruments of the amortisation policy and of state guarantees to joint ventures.

Chernomyrdin believes that the use of credits, granted by foreign banks for highly effective projects, are also a substantial reserve. The government plans to accelerate the implementation of a full- scale taxation reform in order to encourage investments and liven up production. The premier said that work on its concept was to be in the main completed by June 1st, 1955. The main accent will be put on institutional reforms in the process of accelerating the reforms in the key economic areas and complexes, which is also among the key tasks of the government this year.

In addition to this, it is extremely important to prevent a slideback of the most acute problems in the social sphere. In his opinion, this will be among the most difficult tasks of the current year. But by the way it is implemented "the Russian people will in the final count be able to assess the work of the government".

Military Issues

14th Army Division Commander Popov Questions Reform

OW0102003695 Moscow Russian Television and Dubl Networks in Russian 0005 GMT 9 Jan 95

[Statement by Major General Yu. Yu. Popov, 14th Army Division commander from the "Aty-Baty" program—recorded]

[FBIS Translated Text] To be honest, I cannot understand what reform we are talking about today if it still has not been determined who are our friends and who are our potential enemies. Who are our allies, and who are our potential adversaries? How can you build an army without knowing who you intend to fight and who you intend to be friends with? Who will support us and who will drown us? We do not have this at the state level. Yet we are talking about some kind of reform. How can we plan to setup our armed formations by districts and so on if we do not know what kind of troops to keep and for what reasons to keep them for? If we intend to fight the Chinese, then it is a specific kind of army, with a certain kind of equipment and tactics. If we intend to fight the Americans, then it is an entirely different kind of army, with different equipment, different formations, and different branches of service. In terms of percentage, they should also be distributed differently. Well, I might be talking somewhat spontaneously, but the situation here is such: we are talking about reform but have not yet decided on the large and important issue. We are saying that there is no budget, but how can you determine the budget at all? The 111 trillion rubles figure—where did it come from? I, for one, cannot explain it if we do not know who we intend to fight. We are still inventing the bicycle, which is something that was already invented long ago. There are world examples, there are armies that we can look to today, borrow their best attributes, and adapt them to our Russian reality. But my impression is that no one wants to do this. I do not think that we do not have enough smart people. But I still do not know why they are so constrained that they are unable to show any initiative and really deal with reforming the Army.

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Media Issues

Public Russian Television To Begin Broadcasts 1 Apr

LD3101193895 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 31 Jan 95

[From the "Vremya" newscast]

[FBIS Translated Text] Whatever the calendar, we expect changes in every New Year, for better or for worse, time will tell. And if the changes affect us, the television workers, they will surely affect you, the viewers. And you will probably be interested in what is awaiting the First Television Channel. In our studio is Vladislav Listyev, director general of the Public Russian Television Channel.

[Listyev] Good Evening. As from tomorrow, a new television company—the Public Russian Television—is beginning its work. In accordance with the Russian president's decree, the Public Russian Television will broadcast on the First Television Channel. Its programs will be transmitted to all the regions of Russia and to the near abroad states [former Soviet republics] through the Moscow Global system, and also to more than 80 countries of the world. The state and the Russian business community are among the joint founders of the new television company. The task of the Public Russian Television—that is, our task—is to reflect the realities of our complex times and to give you, our viewers, a wide choice of comprehensive information. We are now starting the work on recruiting staff for the new company and on getting the company ready for coming on air. We will be happy to meet you on the First Channel on 1 April. On this day the Public Russian Television is planning to commence its broadcasts.

Believe me, for us the First Channel means not just the figure One on the television screen. The First Television Channel will continue to be first among the professionals.

Federal Assembly

Duma Commissioner Lukin Comments on Chechnya

MM3101120795 Moscow TRUD in Russian 31 Jan 95 pp 1, 6

[Account by Rustem Urmantsev under rubric "Viewpoint" of remarks by Vladimir Lukin, chairman of Russian State Duma International Affairs Committee: "Vladimir Lukin: It Is a Terrible Blow to Russia"—first paragraph is introduction]

[FBIS Translated Text] In a meeting with our correspondent Vladimir Lukin, chairman of the Russian State Duma International Affairs Committee, made his assessment of the tragic Chechen events, whose echo, in his opinion, will reverberate around the country and the world for a long time to come.

I would like to emphasize at once that I am not an advocate of purely human-rights approaches to the situation in Chechnya. I am a great respecter of defenders of rights, and I believe that the more there are of these people in the country, the better things will be. But, in addition to this extremely important factor, particularly for Russia, there are also state interests, the question of the country's state integrity, etc.

In downtown Philadelphia there are two monuments which symbolize, as it were, this age-old issue. One of them is the Liberty Bell. Apart from everything else, it "reminds" people of the United States' violent separation from Britain. As is known, this was achieved by military means, with a huge number of casualties. Alongside stands a memorial to Lincoln, who (and this too is well known) ensured America's unity also by military means, having destroyed the flourishing city of Atlanta and many southern regions, to counterbalance the separatists who wanted to divide America in two.

This is a real symbol of what happened in the world in the past. Here are more recent examples. In 1975 the CSCE adopted the principle of the inviolability of borders. A few years later the same CSCE agreed to the unilateral separation of Slovenia, Croatia, and then also Bosnia from Yugoslavia. This was despite the fact that such a separation clearly entailed violence.

In my opinion, there is just one solution: **the constitutional principle of the creation and preservation of the state on historical, geopolitical grounds**. I prefer this principle to the principle of the ethnic right to ethnic autonomy. In our country there are 15 state formations and a further 150 peoples. So let us cite the example of the state of Nauru, which is a UN member and whose population is just over 9,000. Will we proclaim that every people in Russia has the right to its own state? This will be hell, the breakup of the country. A nuclear country, by the way.

What if this same slogan spreads throughout the world? This will mean, for example, the breakup of Spain with its problems of the Basques, the breakup of Britain with its Northern Ireland, the breakup of practically any country. This would be hell on a world scale, a free-for-all throughout the planet.

Therefore, given all the complexities that exist, I still believe that human rights are better complied with in a constitutional state which has taken shape historically on geopolitical grounds. This is the reason why I support **Russia's unity** and why I support **the defense of its unity**.

As specifically regards the Chechen events, I will share some of my observations in this respect, while not, of course, claiming that they are incontestable. I will start with the military. I will at once say that, like many

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people, I am extremely critical of their actions in Chechnya. But, while being exclusively a civilian, I do not think it right when servicemen, regardless of rank, venture to publicly criticize the actions (even incorrect actions) of their military chiefs. The best way to destroy democracy in Russia and the Russian rule-of-law state is to create "boundless democracy" in the Army. This happened in our country in 1917.

Or the actions of our esteemed press, when it leaves without comment interviews with our soldiers in captivity. For journalists know perfectly well that soldiers in this situation simply have no choice. Nevertheless, such interviews were and are carried without comment. Is this really right?

I always endeavor to be objective. Therefore, I say: What has happened in Chechnya is **a terrible blow to Russia**. Those who are responsible for all this must bear real **responsibility**. There were three years of inaction, three years of sluggish, almost incomprehensible talks and then also complicity. The business of the abandoned weapons alone says something. But then the idea occurred to someone that our Army could do everything. What happened, happened. They disregarded the present state of the Army, the casualties among the civilian population, the clear weakening of our international position....

The result was a protracted affair lasting some six weeks, accompanied, moreover, by great lies. In this connection I recall an anecdote from the recent past. In Brezhnev's time a guy went to a health center and said: "Take me to the ear and eye doctor." "What have eyes go to do with it," he was asked. "Do you mean ear, nose, and throat?" They took the patient to the doctor, who tried to find out what was the matter: "What's troubling you?" "You understand," the patient replied, "I have a strange illness: I see one thing but hear something different."

I cannot fail to mention the disgraceful affair of Sergey Kovalev, who through the kind of life he has led has finally earned the right to say what considers should be said. I certainly do not wish to maintain that every word spoken by Kovalev is right. But consider what the minister of defense, like a lout, called him....[reference to Grachev's branding Kovalev an enemy and traitor] Recently he was not let on board the aircraft by which the OSCE [Organization for Security and Cooperation in Europe] observation commission was flying to Mozdok. I consider that fact an insult to the president. Because Kovalev, despite all the criticism of his actions, is still the president's representative for human rights. Therefore the author of the ban must appear before the president and explain his actions to the public. Second point: The President must finally make a choice. If this is how they treat his official, what, then, is happening on board the ship he is running?

Now about the international aspect of the Chechen events. It is very sad. I would divide this question into two parts: the reaction of the public and of the political elite. (There evidently is no need to expatiate at any particular length on the reaction of the Muslim world. It is extremely negative. Many of those countries are very rich, so our actions in Chechnya will have very serious consequences.) The public abroad takes an extremely negative attitude, albeit in varying degrees, to our actions in Chechnya. This reaction has not been so strong in the United States as in Europe, because another conservative wave is now rolling in there, and the Americans are thinking more about themselves. But those who see the television reports from Chechnya are, of course, starting to take an increasingly guarded attitude to our country. In Europe the reaction of the public is unequivocally critical and anxious.

The attitude of the foreign political elite is another matter. It is faced with a dilemma today: either a tough response to Moscow's actions, in which case it is afraid that the recent shoots of democracy in our country will wither, or a cautious response. For the time being the latter prevails. But the politicians are coming under increasing pressure from public opinion with every passing day. With every day that the Chechen war continues, the reaction of leading politicians will become increasingly tough.

How will this toughness be manifested? In two main areas. Above all, NATO circles and those East European countries which are seeking to join NATO will take advantage of the fact that Russia is bogged down in Chechnya. Although there are, of course, no real, rational reasons for this, since what is happening in Chechnya is far removed from European security. But all this will be used in just this way. The second aspect: It is already clear that the brakes have been applied to the ratification of our agreement on cooperation with the European Union. This is very sad, because the agreement is a real, serious document on the expansion of Russia's economic relations with a united Europe. A pause over Russia's joining the Council of Europe is a serious setback for us. But the European Union is not just a setback. Here it is not a membership ticket to a club, albeit a prestigious club, that is being snatched away but an actual bowl of soup.

All this is sad and certainly does not help to enhance our prestige. If the whole world sees how the Russian Army is unable to take its own Russian city for six weeks and if there are so many casualties, then what can be said about the world's attitude to our armed forces and to Russia in general?

Rybkin Criticizes Zhirinovskiy Remarks at Council of Europe

LD3101132595 Moscow ITAR-TASS in English 1202 GMT 31 Jan 95

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow January 31 TASS—The scandal whipped up by Russian legislator Vladimir

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Zhirinovskiy at the session of the Council of Europe parliamentry assembly on Monday where he offended Russian human rights commissioner Sergey Kovalev by interrupting his speech with angry remarks, is "regrettably a demonstration of part of our mentality", Speaker of the State Duma (Russian parliament lower house) Ivan Rybkin said here on Tuesday.

The speaker stressed that Zhirinovskiy is not only a member of the Russian delegation at the session of the parliamentary assembly, "he is also the leader of a Duma group which won votes of part of our electorate".

There are limits of decency which must not be overstepped by a politician, Rybkin claimed. "The Council of Europe has not seen such things before. It means that this is a Russian feature. Europeans will possibly think that this smacks of Asian barbarism."

"We should elect such people who will represent our great power in a worthy way," Rybkin noted. "It is inadmissible to demonstrate such a behaviour in places where intelligent and business-like people gather," he concluded.

Mityukov Warns Against Expanding Parliamentary Controls

LD3101191895 Moscow INTERFAX in English 1734 GMT 31 Jan 95

[FBIS Transcribed Text] Moscow, Jan 31 (INTERFAX)—If the amendments to the acting Constitution aimed at expanding the control functions of the parliament over the executive power are adopted they "will bring destabilization in the constitutional mechanism," believes First Vice Speaker of the State Duma Mikhail Mityukov. He is a member of the tripartite commission coordinating legislative activity.

In an interview with Interfax Mityukov reported that this issue was discussed at a conference held by chamber speaker Ivan Rybkin. Plenipotentiary representative of the Russian president in the Federal Assembly Aleksandr Yakovlev, presidential aide Georgiy Satarov, and leader of the presidential state legal department Ruslan Orekhov attended the conference.

"The parliament should go along another road implementing those control functions which are stipulated by the Constitution, however, they have not been implemented until the very end, including the activities of the accounting chamber, the institution of the human rights commissioner, etc," Mityukov underlined. In his words, Rybkin occupies the same position.

Mityukov reported that participants of the conference considered the issue of how to avoid the president's veto concerning many decrees adopted by the Federal Assembly. He believes that in the majority of cases the president imposes veto "due not to political but technical-juridical considerations, because several decrees do not correspond to the Constitution and especially to the Civil Code."

As an example, Mityukov mentioned the decrees on resorts, on fauna, on specially guarded nature reserves, etc. which the president has returned to the State Duma over recent times.

According to Mityukov, participants of the conference commissioned him to head the preparation of a draft decree On Implementation of the Rights for Legislative Initiative which will become "a kind of constitutional code" which will regulate law- making activity. This draft is to be submitted to the tripartite commission on law-making activity for consideration on February 16.

Regional Affairs

Reportage, Commentary on Conflict in Chechnya

Failed Assault on Groznyy Detailed

95UM0229A Moscow SEGODNYA in Russian 25 Jan 95 p 2

[Article by Pavel Felgengauer: "There Will Be Fewer Generals in the Army Following the Groznyy Campaign: The Command of the Russian Forces in Chechnya on the Progress of the Operation"]

[FBIS Translated Text] The plan for the New Year's assault on Groznyy looked splendid on paper. It was intended that four strike groupings of Russian troops would deliver concentric, powerful, and simultaneous assaults on the enemy. The columns were to have met up in the square in front of the presidential palace, like the Prussian corps in the celebrated battle of Sadova—"Move out separately, strike together." Two special sabotage and reconnaissance groups were, meanwhile, to have been put down in the mountains to disrupt the enemy rear. All was, seemingly, in keeping with the basic requirements of academic military art, and the enemy, consequently, was to have been chopped in pieces for certain, stunned, neutralized, and smashed. Especially since the unexpected New Year's offensive permitted the hope that the main thing—surprise—would be achieved. New Year's is, for that matter, the main inter-credal holiday of the former Soviet era. The weather forecast for the first days of January was bad—aviation could not support the troops. But our generals are taught to sacrifice all in the name of surprise.

The element of surprise helped, seemingly, at first—the main assault grouping broke through toward the center of Groznyy on New Year's Eve, and the railroad station also was taken without a fight. But there was no coordination of operations at any level. The units that had broken through were blocked and smashed, although at times they put up desperate resistance (the details of the mauling of the motorized units in the central city blocks of Groznyy have been given in the press repeatedly). Command and control of the troops was partially lost. Individual combat groups of men and officers pulled back from the city center, sustaining losses and switching to perimeter defense in places.

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The East Group, which was headed by General Nikolay Staskov, deputy commander of airborne forces for peacekeeping activity, essentially did not move (the group was to have taken the Minutka neighborhood and then to have moved out to the bridges across the Sunzha at the presidential palace). General Anatoliy Kvashnin (commander as of 20 December of the grouping of Russian forces in Chechnya) relieved General Staskov of his command for failure to execute an order.

General Petruk (West Group) was to have supported the 131st Maykop Brigade at the railroad station, but the 19th Vladikavkaz Division operated irresolutely, and the brigade was mauled. The West Group had no luck when it came to commanders at all. General Chandarov, first deputy commander of airborne forces, General Todorov, deputy commander of the North Caucasus Military District, and General Petruk, whom we have already mentioned, were dismissed for their inability to operate in a combat situation. Only after General Ivan Babichev, commander of the 76th Airborne Division, was put at the head of the West Group did decisive operations begin in this sector.

General Kvashnin told our SEGODNYA correspondent that the above- mentioned generals had deceived him, maintaining that they were going to the assistance of comrades being killed in the center of Groznyy, but remaining practically in situ. As a result the enemy gained an opportunity to maneuver—his detachments were able to concentrate in the city center, where a local preponderance of forces was created. It was obviously these generals that Prosecutor Ilyushenko had in mind when he spoke of the possibility of a criminal investigation into the actions of the military in Chechnya.

In the New Year's turmoil in Groznyy the North Group (the 8th Guards Volgograd Corps) was able to move forward undetected and capture positions on the approaches to Lenin Square, but it was composed at that time of only just over 5,000 men, including rear service personnel, clerks, and artillery gunners. Approximately 500 troopers and officers operated in direct contact with the enemy, according to General Lev Rokhlin, commander. They accomplished their mission and drew off onto themselves some of the enemy forces, but were not in a position to do more.

General Kvashnin believes that had everyone acted as decisively as Lev Rokhlin, the New Year's assault would have been entirely successful. But it was hardly to have been expected that the present Russian Army would execute on the go (without any air support, what is more) a plan of operations that had been drawn up under the personal leadership of General Grachev and which required for success meticulous precision in the performance of assignments in terms of positions and timeframes. It is not that army groups interact badly in the Russian Army exactly—neighboring units of different arms of the service and branches frequently exchange fire with one another. We can, in principle, understand commanders who were reluctant to send armored columns with their soldiers into the New Year's Groznyy slaughterhouse.

But as a result General Rokhlin was left for a certain length of time to face the main forces of Dudayev's army alone. The Spetsnaz dropped in the mountains surrendered. In the first week of January journalists, deputies, and civil rights advocates were transmitting from Groznyy that "the remnants of the Russian forces are still returning defensive fire in the city." But General Rokhlin was not "firing defensively"—his assault groups had begun to gradually push forward toward the palace. He simultaneously brought order to bear in the remnants of the mauled units of the assault grouping that had been reassigned to his command.

Dzhokhar Dudayev's main forces constantly counterattacked units of the 8th Corps, attempting to dislodge them from the center of Groznyy and declare total victory. "Not one of their counterattacks was successful," Lev Rokhlin told your SEGODNYA correspondent, "and the 8th Corps did not yield a single position that it occupied, did not lose a single prisoner, and did not leave the enemy a single corpse." General Rokhlin concedes to the Chechens the fact that "individually they are stronger," but maintains that in terms of tactics and organization "we are superior to them."

Following the Chechen counterattacks, the Russian troops once again seized the initiative, and the groups of Generals Rokhlin and Babichev advanced toward one another, gradually pulverizing Dudayev's army and, together with it, the central area of Groznyy also. In the morning of 19 January the reconnaissance battalion of the 20th Guards Volgograd Division (the best, vanguard, unit of Rokhlin's corps) penetrated the presidential palace, taking out the two remaining snipers there. Others later hoisted the flag. Ivan Babichev and Lev Rokhlin have been recommended, according to General Kvashnin, for the title of Hero of Russia: "They remained after the husks of the 'parquet-floor' generals had fallen away."

Dudayev Reportedly in Groznyy Command Post

LD0102122495 Moscow INTERFAX in English 1207 GMT 1 Feb 95

[FBIS Transcribed Text] Groznyy, Feb 1 (INTERFAX) - Dzhokhar Dudayev is in Groznyy in his command post, a few hundred meters from the frontline between Chechen formations and the Russian grouping "North" under Lieutenant-General Lev Rokhlin's command, a spokesman for the Chechen armed forces' General Staff told Interfax Wednesday [1 February].

Asked whether the Russian troops have managed to cross the river Sunzha, he said that Dudayev "fully controls the right bank." He also said that the Chechen armed formations' combat efficiency can be judged from the seizure Tuesday of the Boronovsky bridge across the

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Sunzha (about half a kilometer from the presidential palace) and "the elimination by Chechen formations of a Russian unit near the village of Khankala."

Troops Reportedly Cross Sunzha River

LD3101124395 Moscow ITAR-TASS in English 1212 GMT 31 Jan 95

[By ITAR-TASS correspondent Ruslan Maysigov]

[FBIS Transcribed Text] Nazran January 31 Tass—Russian troops intensified the shelling of Groznyy areas controlled by Chechen militants on Tuesday and have reportedly crossed the Sunzha river which was the front-line between the warring parties.

TASS learned from the operational press service of Ingushetia that shelling of Minutka Square in Groznyy, as well as of Chernorechye and Aldy suburbs situated 5-6 kilometres from the centre of the city has intensified since morning.

The same source said that federal troops have crossed the Sunzha river in several places.

Clashes with Chechen militants also occured near the Khankala airport of Groznyy.

Fighting raged on near the city of Argun, as well as in the settlement of Samashka, 40-50 kilometres from Groznyy.

The operational group said that the only road which residents use to flee Groznyy and by which humanitarian aid reached the city goes along Samashka.

Troops Said Concentrated Near Airport

LD3101131995 Moscow ITAR-TASS in English 1254 GMT 31 Jan 95

[FBIS Transcribed Text] Moscow January 31 TASS—The press service of the Russian Government sent the following message to ITAR-TASS today:

"According to a report of the Command of the federal troops, during the past 24 hours units of the Allied Group of Russian Troops in the Chechen republic continued preparations for a concluding stage of combat operations in Groznyy. The South-Eastern Group was created on its basis, whose vanguard detachments were concentrated near the airport of Hankala. Troops of the Northern, Western and Eastern groups remain in the same positions. They were blocking streets, were engaged in street fighting and were repulsing attacks of illegal armed groups.

"Russian Interior Ministry troops continued to comb the Staropromyslovskiy district of the Chechen capital (some 80 per cent of its territory has been cleared) and to block the main directions of the movement of illegal armed groups and places of their deployment. The Special Militia Force (OMON) conducted a special operation for disarming illegal armed groups in the populated localities of Ivanovo, Butenko and Tashkala.

"Despite the fact that federal troops have an advantage in manpower and military hardware, the resistance of illegal armed groups is not weakening.

"Illegal armed groups continue to concentrate their efforts on holding positions in Groznyy. A large number of militants are concentrated south of the Sunzha river. Dudayev men continue to move their reserves there from the southern, south-eastern and eastern directions. Mobile groups, made up of 30 to 40 men, are formed there. They are used for attacking Russian units.

"According to the existing information, armed clashes between the opposition forces and Dudayev's supporters became more frequent, specifically, near the populated locality of Samashki.

"Field commanders of illegal armed groups on the territory of Chechnya received an order to kill people, who help federal bodies of power."

Government Press Report on Conflict

LD3101171695 Moscow ITAR-TASS in English 1635 GMT 31 Jan 95

[FBIS Transcribed Text] Moscow January 31 TASS—The following report of the Russian Government press service was circulated here today:

"According to information of the Defence Ministry, the Chechen situation has not considerably changed. It remained tense.

"The illegal armed units tried to attack federal troops in small groups but failed. Sporadic fire exchanges were reported from Groznyy.

"The illegal armed units are getting ready for acts of sabotage and terrorism on republican territory. A report saying that Dudayev men will blast a lock of the water pool dam if they have to withdraw from their positions in Chernorechye has been confirmed. The Chechen leaders are planning to use the dam destruction for anti-Russian propaganda to show 'the anti-people essence of the policy of Moscow which is fighting to ruin Chechnya'. While the gas pipeline is being restored, the militants are considering acts of sabotage at gas facilities.

"Refugees said that Dudayev supporters have formed special units to go to various populated localities of Chechnya, provoke by their actions federal shelling of the localities and instigate hostile actions against the Russian troops on the part of the population.

"The situation in Ingushetia is worsening. Despite the Ingush leaders' support to peaceful settlement in Chechnya, the anti-Russian and anti-army atmosphere is being stirred up amongst the local residents. Rumors are being

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spread about robberies, pillage and murders of civilians allegedly committed by federal troopers.

"The federal troops have expanded zones of their control in the north-eastern part of Groznyy.

"The interior troops have been getting ready for control over block-posts in specific areas of the city and involved in reconnaissance and searching in the 3th [number as received] administrative sub-unit of Groznyy.

"They have destroyed three mortars, one APC and seized 10 pieces of fire arms, six anti-tank hand grenades and seven radio sets."

MVD on Fighting in Samashki

LD0102104595 Moscow ITAR-TASS World Service in Russian 0910 GMT 1 Feb 95

[By ITAR-TASS special correspondent Aleksandr Kharchenko]

[FBIS Translated Text] Mozdok, 1 Feb.— Over the past 24 hours, units and subunits of the internal troops of the Internal Affairs Ministry [MVD] jointly with detachments of the Special Purpose Militia Detachment [OMON] and special rapid reaction detachments continued to conduct operational combat measures on the territory of the Chechen Republic to ascertain the places of deployment of illegal armed formations and to disarm them. This was reported to an ITAR-TASS correspondent today at the press service of the internal troops in Mozdok.

In the village of Samashki a fighters' base was discovered and these fighters then put up several hours' resistance to the internal troops servicemen and marines. As was stressed at the press service, Dudayev's men did not change their tactics on this occasion either: they fired from residential buildings where children, women, and the elderly are living.

By the evening of 31 January, federal forces and law enforcement forces had managed to disperse the bandit gangs and clear the village of Samashki of fighters who on the night of 31 January to 1 February mounted an attack on the village and fell back.

The press service noted that the flow of armed Dudayev supporters out of Groznyy had increased.

According to the press service, Chechnya remains literally crammed with weapons. In the past 24 hours alone, during operations to disarm and liquidate the illegal armed formations, subunits of internal troops and OMON have confiscated 56 rifle guns (machine-guns, sub-machine-guns and rifles), over 16,000 rounds of ammunition, including 65 hand grenades and 116 rounds for grenade launchers and eight armored personnel carriers. Twenty-nine citizens have been held on suspicion of crimes.

"The morale of the men remains high", the press service noted. "There are examples where conscripts, who have been given the chance to leave battle formations and return to their places of permanent deployment, are flatly refusing to do so. The men realize that the future of the country depends on its integrity and the observation of the constitutional rights and freedoms of all the citizens who populate Russia."

Militants Said Preparing for 'Sabotage'

LD0102120795 Moscow Russian Television Network in Russian 0900 GMT 1 Feb 95

[From the "Vesti" newscast]

[FBIS Translated Excerpt] According to information from the government press service, the situation in Chechen conflict zone remains tense. Active resistance of illegal armed formations to the federal troops continues. Dudayev's supporters are moving their reserves to an area south of the river Sunzha. Mobile detachments 30-40 strong are being formed from these reserves. There is data that shows that the militants are getting ready to start sabotage activities, notes the government press service. Thus, for instance, the militants, if they have to retreat from the positions held at present in the Chernorechye area, intend to blow up the lock of the dam of the reservoir. [passage omitted]

'Punishment Attack' Launched on Village

AU0102110495 Paris AFP in English 1027 GMT 1 Feb 95

[By Sebastian Smith]

[FBIS Transcribed Text] Samashki, Russia, Feb 1 (AFP)—The Russian army surrounded and devastated the village of Samashki in western Chechnya in a calculated punishment attack, residents said Wednesday.

The rural village of 14,000 people was hit by intensive cannon, rocket and helicopter fire on Tuesday, after independence fighters fought off a Russian column trying to enter the village on Monday.

"They surrounded us, coming right up to the outskirts of the village and started to hammer the centre for five hours—then the helicopters came," said Yaragi Betmarsayev, 45.

No one knew just how many people were killed, but most estimates were over 20.

"On our street two people were killed," Betmarsayev said. "There were four more down there and in the next street not a house was left untouched."

A shell made a direct hit on a fragile basement, piercing the concrete and causing an inferno inside, where a mother and daughter had been hiding.

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The woman's legs were blown off and she died from loss of blood, because it was impossible to get her through the Russian lines to the nearest hospital, neighbors said.

"I was just walking home when they opened up with shells and I was hit," said Akhmedov Abiyev, 28, who was hospitalised with a shrapnel wound in his chest.

Shrapnel holes the size of fists pocked the brick walls. Gaping holes punctured roof after roof, gas lines burned. A truck was incinerated, a car was peppered with hundreds of machinegun bullet holes or shrapnel punctures.

Jagged shell fragments littered the ground in places and in one garden, the remains of a Grad multiple rocket lay in the mud.

An old woman stood weeping outside her small house, its roof caved in. A deaf man wandered about his farmyard, tending chickens, apparently oblivious to the destruction along his entire street.

Witnesses said the Russians fired from midday to dusk, then pulled back to their positions two or three kilometres across the flat fields.

"The wounded who had to get out could not, so they died," said Malika Khaskhavnova, a nurse at the Achkhoi Martan hospital, nine kilometres (five miles) from Samashki.

More attacks were expected and the ominous sound of a reconnaissance plane high overhead gave further warning.

On Monday, about 16 Russian armoured personnel carriers and a light tank tried to enter the village, but were decimated by a hail of Chechen anti-tank grenade fire.

About 30 Chechen guerrillas were seen taking up positions at a bridge outside the village to ambush the flank of the column, which was apparently part of an armoured division recently sent to Chechnya.

On Tuesday, a Red Cross team came to take the bodies of Russian soldiers killed in the botched assault back to the nearest Russian post. About an hour later, the massive Russian force closed in, bombarded the village and withdrew.

"We really gave it to them on Monday, then they did this against the civilian population. Still, we'll keep fighting," said Issa Besengurov, a 23-year-old Chechen guerrilla fighter.

But Betmarsayev pleaded for an end to the attacks.

"This is not war, this is extermination," said Betmarsayev. It's not against (independence president Dzhokhar) Dudayev, it's not against armed bandits, it's against the people. Leave us in peace."

Cabinet Fears Republic a 'Black Hole'

MK0102091095 Moscow SEGODNYA in Russian 1 Feb 95 p 2

[Report by Aleksandr Bekker under the "Blueprint" rubric: "Chechnya May Become Russian Economy's 'Black Hole'"]

[FBIS Translated Text] Informed sources at the White House have reported that the government is drawing up a draft presidential edict "On Financing Measures To Stabilize the Situation in the Chechen Republic." Experts fear that in the process of drawing up plans for aid to Chechnya, the postwar experience of rebuilding Stalingrad might be used uncritically. A mechanical application of this experience to the present time will result only in unbridled graft and the strengthening of criminal structures.

The Cabinet of Ministers seriously fears that Chechnya might become the economy's "black hole," sucking in huge sums of money. It is also highly likely that criminal structures would rally around the flow of capital into Chechnya, which will render it virtually unstoppable. This would cause a collapse of the policy of financial stabilization, the ruble's crash, hyperinflation, and an increase in regional separatism. Moreover, regional elites may draw on the Chechen precedent as a means of pressuring Moscow to receive substantial funding with no strings attached.

In the view of a number of government experts, not a ruble from the federal budget should be invested in the reconstruction of the Chechen economy. Even Chechnya's oil and oil processing industries will not be cost-efficient. This territory can be considered to be an unattractive place for investment. What one can talk about is only labor-intensive public works.

One should also bear in mind that the population is leaving Chechnya en masse and most people are unlikely to return. For this reason it would be more advisable to help them settle down elsewhere. It would be desirable that these new places of residence have considerable excess construction capacities and economic development prospects. The most convenient regions from this point of view are, for instance, Krasnodar Kray and Rostov Oblast. Thus the cost of reconstructing Chechnya's social infrastructure can be cut 5- to 15-fold.

Government officials dealing with the problem believe that all funds being channeled to Chechnya (and to neighboring Caucasus republics, if possible) should be registered as subventions from the federal budget. This money should be handed to a federal body that will be running the republic until legitimate elections take place there. A special budget fund of the Russian Federation Finance Ministry will be set up. Its excess capital should be invested in government securities. In the specialists' view, giving Chechnya any tax breaks or export benefits would be impermissible.

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People at the White House think that concurrently with these measures it should be announced at the state level that the Chechen economy will be privatized, and at the same time the green light to foreign investment should be given. It will be necessary to call on Muslim countries to make contributions to the Chechnya Revival Fund. Investors will be given legislative guarantees. Investment will be insured against political risks. For this purpose a system for reinsuring investment risks in a high-risk Russian economy should be set up.

In order to assist refugees and those who were forced to resettle, the government should issue a tied loan and indexed treasury bonds. It would be also justifiable to request bankers and the business community to participate in the flotation of this loan. There are hopes that the humanitarian aspect of this action will be accompanied by financial gain, provided the mechanism of indexed securities works.

Government officials suggest that a oversight mechanism to control the use of humanitarian aid be created. The Federal Commission on Securities will supervise the issuance and circulation of reconstruction loans. In so doing it will rely on public associations of investors. The latter will check out the bonds' security, compliance with technical requirements for such an issue, and take care of increasing the bonds' liquidity. If some part of enterprise stock is turned over to investment funds whose shares are linked to the loans, the company managers' strict liability will be an additional guarantee. An important integral part of the plan will be oversight by the Russian Reinsurance Company, which insures risks associated with investment projects. The company itself, while issuing secured instruments, will operate under the supervision of the Commission on Securities. Oversight will also be exercised by the banks that will buy securities mentioned above.

If the proposed mechanism is approved by the government and put into practice, one may hope that the threat of Chechnya's turning into the Russian economy's "black hole" will be minimized.

Semenov Views Administration's Goals

MM0102100995 Moscow KRASNAYA ZVEZDA in Russian 1 Feb 95 p 1

[Report by Aleksandr Pelts: "Nikolay Semenov: I Am Returning to Chechnya in Earnest and for a Long Time"]

[FBIS Translated Text] The leader of the new territorial administration of the federal organs of executive power in Chechnya has replied to journalists' questions.

"When I was asked to take on this tremendous work, I was unable to refuse Viktor Stepanovich Chernomyrdin's offer. I feel a tremendous duty as a citizen of Russia. I believe that my experience of life will enable me somehow to remove the political tension and to fulfill this responsible task"—this was how, forestalling journalists' numerous questions, Nikolay Ivanovich Semenov explained his appointment to the post of leader of the territorial administration in Chechnya.

Nevertheless, this did not satisfy the interest of the press in this man. Who is he, this man who is virtually the new head of the republic? How has he ended up at the epicenter of complex events that are alarming the whole country?

Nikolay Semenov was born in Ukraine. After graduating from an institute, he worked in Rostov Oblast. In 1973 he began his party career in Checheno-Ingushetia. He was head of the organizational department of the oblast CPSU committee and then for 10 years secretary of the Groznyy city party organization. In 1985 he moved to Kyrgyzstan in connection with his appointment to the post of secretary of the republic's Central Committee. In 1989 he became head of the CPSU Central Committee Sector for the Central Asian Republics and Kazakhstan. After the breakup of the Union Nikolay Semenov worked, as he himself emphasized, in a "nonstate organization" as a deputy general director.

The press was primarily interested in the question: Is this a temporary appointment or not? Semenov believes that his return to Chechnya is in earnest and for a long time.

What is the action program of the new leader of the territorial administration? It is not easy to answer, Nikolay Semenov emphasized, since he has not yet gotten a handle on the whole situation in the region. He intends first to determine the priority tasks on the basis of the materials which have been provided to him and to "touch them up" after making his own observations.

It can be assumed that the new leader will not have any particular problems with the economy—he has had really solid work experience. Considerable funds (up to 6 trillion rubles) are being allocated to restoring the national economy. Nikolay Semenov believes that he will be able to get the republic's oil-refining complex working within six to eight weeks. This is the most important task.

It will obviously be more difficult to regulate the political situation. But even here the new head retains his optimism. He reported that there are already edicts on the appointment of his first deputies (Avturkhanov and Gadzhiyev) and also the mayor of Groznyy (Gantemirov). They all represent the Interim Council of Chechnya in opposition to Dudayev. Nevertheless, Nikolay Semenov does not rule out the possibility of a dialogue with all movements and public forces in Chechnya. He pins great hopes on the Committee of National Accord, which is now being formed from representatives of local organs of self-government. These hopes are associated, above all, with the need to stabilize the situation in rayons remote from Groznyy.

On the whole, Nikolay Semenov regards the immediate cessation of "bombing raids in Chechnya" as the chief

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condition for normalizing the situation. Let us note, however, that the journalists never managed to ascertain how he will do this.

In reply to the KRASNAYA ZVEZDA correspondent's question as to whether the new leader intends to visit military units and familiarize himself with the daily life and service conditions of soldiers and officers, Nikolay Semenov said this:

"It is hard to say now. It will all depend on the specific situation. I will make an on-the-spot visit and investigate...."

Stepashin Comments on Future FSK Presence

LD3101180995 Moscow INTERFAX in English 1732 GMT 31 Jan 95

[FBIS Transcribed Text] Moscow Jan 31 (INTERFAX)—Russia's Federal Counterintelligence Service FSK plans to open a major department in Chechnya with a staff of 700-800 men, FSK Director Sergey Stepashin has said. He said that in each district there would be units capable of running current affairs and confiscate weapons and detain gangsters.

Interviewed by the weekly ARGUMENTY I FAKTY, Stepashin said he did share the fear a prolonged guerilla war in Chechnya was imminent.

"When the economy begins to be restored, when people see that they live better, they won't feel like going to war", Stepashin said.

At the same time Stepashin believes that acts of sabotage in Chechnya would be possible for quite a long time.

Stepashin said that a number of mercenaries fighting for Dzhokhar Dudayev were taken prisoner in Chechnya, including several Afghans, two Egyptians, one Ukrainian, one Lithuanian, several Jordanians, Abkhaz and Tajiks—20-30 people all in all.

Asked about the methods Moscow used in combat operations in Chechnya, Stepashin said that "on the other side there are 8-10 well-armed and well-trained professionals, using various types of weapons, including heavy ones and that adequate measures must be taken against them".

Stepashin said that nobody had avoided mistakes in Chechnya. "Deplorably, there have been many mistakes and much blood. There were instances of cowardice among army servicemen, including Generals".

Stepashin accused the Dudayev regime of never willing to conduct negotiations in Moscow and of insisting on the recognition of Chechnya's independence. He mentioned facts of the Dudayev regime's complicity in financial crimes. When the Council of Ministers' building in Groznyy was seized, a "huge pile of false letters of advice" was found, Stepashin said.

"Dudayev has filled bags with dollars and then had the money put in the banks..." Stepashin said. He confessed he did not know the numbers of those accounts but had evidence that such accounts did exist.

Stepashin said that a serious inquiry was underway into Dudayev's connections in Moscow. He said that heavy evidence had been gathered already against a number of investors and oil exporters.

Stepashin said that only a minor part of ministerial staff in Moscow was involved, because Dudayev primarily acted through private firms.

Gromov Comments on Dispute With Grachev

95UM0208A Moscow MOSKOVSKIYE NOVOSTI in Russian No 1, 8-15 Jan 95 pp 1, 5

[Interview especially for MOSKOVSKIYE NOVOSTI with Colonel General Boris Gromov, deputy minister of defense of the Russian Federation, by MOSKOVSKIYE NOVOSTI military observer Aleksandr Zhilin; place and date not given: "Boris Gromov: 'The Operation Was Prepared in Profound Secrecy....'"]

[FBIS Translated Text] [Zhilin] Since 26 November, you have sharply opposed a power solution of the Chechen problem. But why did you not state your protest before the start of the military operation?

[Gromov] The operation was prepared in profound secrecy, and I simply knew nothing about it.

[Zhilin] You mean that the Ministry of Defense Military Collegium had not discussed a plan for the use of troops in the Caucasus?

[Gromov] In the past two years, the activity of the Military Collegium has assumed a formal nature. Critical decisions affecting the fate of the country have increasingly been adopted by a limited group of officials. And the more serious the mission, the smaller the group of these persons. The Military Collegium was essentially sidelined from discussion of the problems connected with the START II Treaty, the Partnership for Peace program, and other documents that are very important for the Ministry of Defense. The decision to employ troops in Chechnya was also adopted in secret and was not considered by the Collegium.

I would like to emphasize that I am not opposed to order being brought to bear in Chechnya and in the country generally, but to methods that are incompatible with the concepts of "constitutional order" and "democracy."

[Zhilin] Observers note that the Army has displayed very low professional proficiency in Chechnya....

[Gromov] The Army should not be performing police or gendarme functions—this is not its "profession." Whence the deplorable results. Attempts have been made repeatedly in our history to employ it for power pressure on the "unruly"—it is sufficient to name

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Novocherkassk, Vilnius.... But it has never used against its own people the entire arsenal of combat weapons intended for a full- scale war. In addition, the Army's intervention in domestic political showdowns has not once produced positive results; it has only intensified the crisis.

[Zhilin] How would you evaluate the strategy and tactics of the Armed Forces in the Chechen operation?

[Gromov] There is nothing to evaluate in this case, inasmuch as neither strategy nor tactics are observed. The Afghan experience should have taught us something, it might have seemed. Specifically, if only the fact that when a decision on military operations is being made, it is essential to take account of all local singularities: historical, national, religious, geographical, meteorological, and so forth. Nothing of the sort was done. The decision was adopted spontaneously, by all accounts. The troops taking part in the combat operations had not been prepared for this either morally or physically or professionally. The Armed Forces are not today distinguished by a high degree of training of the personnel, and they lack a sufficient quantity of equipment that is in good working order and combat-ready, communication and control facilities, technical and rear support, and so forth. All this condemned the military campaign in Chechnya in advance to big casualties on both sides.

[Zhilin] You are contradicting the official evaluations of the minister of defense, announcements of the government press center....

[Gromov] Disinformation is an indispensable attribute of war. But in our case it is being directed not against the "enemy" but exclusively against our own people. Overseas television companies are showing the nature of the war without cuts. Compare the destruction of the cities of Argun and Groznyy with the consequences of the strikes against Iraq during Operation Desert Storm, and you will understand everything.

[Zhilin] Is the use of salvo-fire missile launchers and the intensive bombing of localities justified from the viewpoint of operational efficiency?

[Gromov] From the viewpoint of operational efficiency you may justify whatever you like, the use of nuclear weapons included. If you proceed from the condition that victory must be achieved at the price of the destruction of each and everything. It is this condition that is operative in Chechnya, it would seem. A barbaric choice of means of combat is a sign of the uncivilized nature of an Army.

[Zhilin] Have you attempted to offer your plan of a solution of the crisis?

[Gromov] I reported my considerations to the minister of defense. I believe that it is essential for a start to halt the combat operations immediately. If only to assess what line we have reached, what we have achieved, and what we have lost. And, most important, to understand, finally, what lies ahead for us. No one has yet formulated the strategic goal. Voices are being heard: As soon as the irregulars take to the mountains, we will finish them off there. This is either an illusion or a deliberate lie. It is sufficient to recall how many victories we won in the mountains of Afghanistan. It will be the same in Chechnya also....

I see no solution involving violence. However difficult and offensive to both parties, it is essential to sit down at the negotiating table, because there are no winners in a civil war, only losers.

[Zhilin] The minister of defense does not share your viewpoint, it would seem.

[Gromov] I sincerely do not understand what is happening. Pavel Grachev has himself acknowledged repeatedly that he chose for himself deputies from the ranks of those with whom he fought in Afghanistan. There should be no misunderstandings in our team, it would seem. I, at least, have tried to do everything possible to help Grachev become firmly established in the position of minister of defense. Nonetheless, some distrust of his deputies began in time to arise on his part. I suppose that the minister's attitude toward me personally changed after I did not take part in the events of October 1993. I was pursuing no political goals; I did this exclusively from moral considerations. But subsequently, this decision of mine was presented to the country's leaders from a political viewpoint.

[Zhilin] What is behind the minister of defense's decision to downsize the offices of three of his deputies?

[Gromov] An endeavor to rid himself of people to whom he objects, I believe. Inasmuch as simultaneously removing three deputies just like that is difficult, an excuse was thought up: reform of the ministry's managerial staff.

[Zhilin] Have any complaints been made to you?

[Gromov] There was a telephone conversation, in which Grachev set forth his complaints about me. The first concerned my interview in connection with the events in Chechnya on 26 November, in which I spoke against a power solution of the conflict, and also my appeal to Dudayev requesting the release of our prisoners. The minister did not like this.

The second reproach was connected with my condolences in connection with the death of Dmitriy Kholodov. I was told that I had in this way caused the minister moral damage.

The third was due to my presence at a charity hockey match in honor of servicemen who fell in Afghanistan, at which I was asked to perform a symbolic dropping of the puck. Our superstars Fetisov, Bure, and Mogilnyy took part in this game. I was charged with links with "traitors to Army sport" and with discrediting the Army, as it were.

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The fourth complaint concerns my close friendship with a person whom Grachev himself has recently ceased to consider his friend. To this I replied that I choose my friends without regard to the opinion of the minister....

[Zhilin] If you are, for all that, deprived of office "for links with traitors to Army sport," what will you do?

[Gromov] I shall not leave the Army, in which I have served since the age of 12, when I became a student of the Suvorov Military School.

'Informed' Source Cited on Troop Casualties

LD3101153995 Moscow INTERFAX in English 1423 GMT 31 Jan 95

[FBIS Transcribed Text] Moscow, Jan 31 (INTERFAX)—According to preliminary estimates on Tuesday, a total of 608 Russian servicemen were killed and 2,250 others injured since the outbreak of fighting in Chechnya, an informed Defense Ministry source told Interfax in Moscow.

He said the toll of casualties among land troops ran at 395 dead and about 1500 wounded. With 196 dead the North Caucasus Military District has been worst-hit. The number of dead from the Leningrad, Volga, Ural, Siberian and Moscow military districts runs at 69, 46, 377, 34 and 11 respectively. The 11th Army lost two servicemen.

The land forces lost 139 officers and 256 ensigns, sergeants and privates.

The ministry source put the casualty toll of airborne troops at 213 dead, 29 of them officers, and 750 injured.

He said the list of dead is made up of those whose identity has been established, adding that there were corpses in mortuaries still to be identified.

General Says Conflict Not Likely To Spread

LD3101154395 Moscow INTERFAX in English 1423 GMT 31 Jan 95

[FBIS Transcribed Text] Moscow, Jan 31 (INTERFAX)—Commander of Russian Ground Troops Colonel-General Vladimir Semenov believes that "it is not likely" that the Chechen conflict will spill over into other republics of the North Caucasus.

In an interview with INTERFAX on Tuesday, the general said that rumors about this "are being spread by certain forces in Groznyy and outside it."

Speaking about the situation in Groznyy, Semenov noted "the lower intensity" of hostilities in the Chechen capital. He also said that there were now far fewer casualties among federal troops in clashes with militants than in early January.

Shakhray Claims Dudayev in Ingushetia

LD3101174695 Moscow NTV in Russian 1600 GMT 31 Jan 95

[Report by correspondent Glusker over video showing Deputy Prime Minister Sergey Shakhray speaking at news conference]

[FBIS Translated Text] [Glusker] The 30th news conference on the events in Chechnya began in a rather unusual way. Sergey Shakhray, deputy prime minister of the Russian Government, described his appearance in the press center of the Conciliation Commission in the following way:

[Shakhray] Shakhray Sergey Mikhailovich will conduct every 30th news conference. Another remark: I have not got any sensational information for you.

[Glusker] However, he did come up with a sensation. The deputy prime minister surmised that Dzhokhar Dudayev is in Ingushetia. According to him, representatives of Russian special services do not know where the Chechen leader is hiding. However, he personally charges that Dudayev is under the auspices of [Ingush President] Ruslan Aushev. As for conducting talks with Dudayev, the deputy prime minister believes they are impossible.

[Shakhray] One can only consider talks with Dudayev in the same way one would regard talks with terrorists who have hijacked a plane or a bus.

[Glusker] Assessing the mission of Sergey Kovalev and his remarks that talks with Dzhokhar Dudayev are possible, Sergey Shakhray stated:

[Shakhray] I have great respect for Sergey Adamovich Kovalev. He reminds me of a religious fanatic, in a good sense of this word. One can only respect him for faith, but there is doubt whether this fanaticism helps the objective assessment of the situation and of the reality.

[Glusker] As for the future of the Chechen republic, Sergey Shakhray sees it only in the committee of national salvation, headed now by Nikolay Semenov. In his opinion, such a committee may become a subject of a political dialogue between Moscow and Groznyy and; it may also do the groundwork for the Chechen elections, which may take place as early as this year, according to Shakhray. Asked who will become Chechnya's new leader, the deputy prime minister said:

[Shakhray] New leaders who will win the election in the Chechen republic will appear in the process of work of the committee of the national accord [committee of national salvation].

Shakhray Cited on Operation's Next Stage

LD3101182395 Moscow INTERFAX in English 1632 GMT 31 Jan 95

[FBIS Transcribed Text] Moscow, Jan 31 (INTERFAX)—In the next few days Groznyy will be completely

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cleared of fighters and the liberation of the city of Gudermes, 40 kilometers from the Chechen capital, where there is a great concentration of armed formations, is the next stage of the military operation, Russia's Deputy Prime Minister Sergey Shakhray declared at a press conference in Moscow Tuesday referring to Russian military sources.

To this effect Shakhray reported that the Chechen Elders "guaranteed their aid "in squeezing out" fighters from the city." "From the military point of view the operation in Urus-Martan has been prepared," Shakhray said.

Shakhray did not rule out that there might appear "elements of civil war" but they "will not be so serious as in Afghanistan."

In an interview with Interfax on the conclusion of the press conference Shakhray underlined that actions of the federal forces in the regions seized by fighters will be "actively cautious." As he said, the forces will strive "to create dominating superiority at several sections and to avoid or to minimize the number of victims among the civil population."

According to Shakhray, elections in Chechnya can be held this year. He refused to predict their results but expressed hope that "new leaders will appear in the course of the final settlement of the conflict." "Those who will be able to stop bloodshed and blood feud" will receive (votes of) confidence at the elections.

Shakhray pointed to the special importance of the National Accord Committee to finally settle the situation in Chechnya which "can be made up of all those who are actually interested in the solution of this crisis as soon as possible."

Shakhray Views Kovalev's 'Fanaticism'

LD3101202195 Moscow Radiostantsiya Ekho Moskvy in Russian 1630 GMT 31 Jan 95

[FBIS Translated Text] [Announcer] [Deputy Prime Minister] Sergey Shakhray addressed a news conference, but [Ingush President] Ruslan Aushev replied to Sergey Shakhray by telephone in an interview to the Ekho Moskvy radio station. To start with let's set off for the news conference with Sergey Mikhaylovich. At his news conference today Sergey Shakhray voiced his attitude to Sergey Kovalev's activities:

[Begin Shakhray recording] I have very great respect for Sergey Adamovich Kovalev. He reminds me of a religious fanatic, in the good sense of the word. One cannot fail to respect him for his faith, but there is doubt as to how much this fanaticism helps making an objective assessment of the situation or of reality. I cannot understand his appeals to the world community, and what is more, to Russia, to the people of Russia, etc, etc. I will never understand this. In principle, the situation around Chechnya has arisen in such a way that there are three sources of information which I always recheck: Dudayev, the power wielding ministries, and Kovalev. Unfortunately, there is news, the concept of news, of news coverage of events, and there is the question of the view one takes. Very frequently, all news is seen in the light of some position or other. I do not understand this. Well, and I state most definitely as a participant in the talks between Chernomyrdin, Imayev, and Abubakarov—it was not Sergey Adamovich [Kovalev], but I who attended these talks. And I had the honor of telling him verbatim what we had agreed there. After this to hear any accusations is more than strange. [end recording]

[Announcer] The deputy prime minister noted that the OSCE commission which has worked in Chechnya only agreed with half of Sergey Kovalev's conclusions.

[Begin Shakhray recording] They agreed with fifty percent of what Sergey Adamovich said: with that part in which human rights breaches were registered in the period of the use of military force by the federal authorities. But they did not agree with Kovalev in that part where in the course of three years he had not noticed mass human rights violations on the part of Dudayev and his regime: the executed town assembly—parliament, the 150 corpses in Argun, 200,000 Russian refugees from the republic, etc, etc. So that, I think, the OSCE commission did its work in a very responsible and objective fashion. Also, it passed through Groznyy, Znamenskoye and Tolstoy-Yurt, met with servicemen of the Defense Ministry and the interio troops in Mozdok, visited the hospital, visited the camps with Kovalev describes as filtration camps. And, by the way, you know the conclusion arrived at by this commission. So that the position of the OSCE commission and the position of Sergey Adamovich Kovalev were no more than fifty percent alike. [end recording]

[Announcer] This is how, it can be said, the official government view of Sergey Adamovich Kovalev's work looks.

Aushev Denies Dudayev in Ingushetia

LD3101181495 Moscow Radiostantsiya Ekho Moskvy in Russian 1641 GMT 31 Jan 95

[FBIS Translated Excerpt] At a news conference today, Sergey Shakhray suggested that Dzhokhar Dudayev could be in Ingushetia, I quote, under Ruslan Aushev's protection. We asked Ingush President Ruslan Aushev to comment on this.

[Begin Aushev recording] Nobody here in Ingushetia is any longer surprised by Shakhray's statements. He has said all sorts of things! This shows that he is not aware at all of the situation in North Caucasus. This is one thing. Second, according to the information available to us, Dzhokhar Dudayev is in Groznyy and runs the republic. As far as we know, the home guard was engaged in fighting (?yesterday). As far as we know, they have freed

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the Khankala airfield. And if Sergey Mikhaylovich [Shakhray] wants to clarify things he should go to Groznyy where he could meet with him. Yes, as far as I know, he does not stay in one place, he is moving from place to place but, however, he is in Groznyy, not in Ingushetia.

This information is precisely what Sergey Mikhaylovich would like to impart to the leadership—on their being tanks, aircraft and training bases in Ingushetia. In addition, he disseminates information of this kind. It appears he feels that he is to blame, that ideologically he is behind this tragedy of the mass murder of peaceful people in the Chechen Republic, that he is to blame for the failure of ethnic policy in North Caucasus and therefore he is now trying to shift the blame onto Ingushetia, Dagestan, and other regions. I think that first of all Sergey Mikhaylovich should be held responsible for misinforming the country's top leadership. This is what I would like to say on the issue. [end recording]

Also, Ruslan Aushev commented for Ekho Moskvy on Sergey Shakhray's pronouncement alleging that Ingush leaders cannot but support Dzhokhar Dudayev. Here is what Ruslan Aushev said.

[Begin Aushev recording] If Shakhray chats with any upstart, I do not understand this. All this is not serious. As a lawyer, Sergey Mikhaylovich should know that Ingushetia was, is and will be, it is written down in the constitution and it has its own flag, anthem and the rest. And it will not shed its status. [passage omitted]

Agapov Denies 'Training Centers' Exist

LD3101164695 Moscow Russian Television Network in Russian 1100 GMT 31 Jan 95

[From the "Vesti" newscast]

[FBIS Translated Text] Reports on the situation in the Chechen Republic state that combat actions are being carried out by militants. It is known that these people are well armed and trained, and it is common knowledge that training involves time and bases. A training base is a strategic target. If militants are being trained at present, then finding and destroying a base is a step toward victory. The only difficulty is that their location is not known. Logically they must be somewhere near. [video cuts to show Ingush Vice President Boris Agapov speaking to camera]

[Agapov] We try to telephone and set up meetings and contacts. The reaction to our phone calls is sluggish, so to speak, and contacts are avoided. [video cuts to report by correspondents T. Aldoshina and A. Arbuzov]

[Correspondent] The Ingushetian leadership in the person of Boris Agapov is very concerned by the fact that the federal authorities do not want to listen to those that are in the direct neighborhood of the Chechen war. And there are grounds for a meeting. It has become known that a strictly secret document has been compiled for the president in which it is asserted that centers have been set up in Ingushetia for training Chechen militants. [video cuts to show Agapov speaking to camera]

[Agapov] Where are these training centers where we train militants, or saboteurs and terrorists, etc? [We are told:] You have them there, in that area. And an area is named, for instance, the Assinskoye ushchelye area. But we ask: Where, in what place? [We are told:] In the area of the Muzhichi settlement. We reply that a battalion of the 42d Army Corps is stationed in the area of the Muzhichi settlement, and nearby, in the Alkun settlement, there is a border post of the Federal Border Guards Service numbering 50 persons. There is nobody else there.

[Correspondent] A proposal from the Ingush leadership to set up a commission to go to the territories that are under suspicion is met with refusal by the federal authorities. Meanwhile, Boris Agapov asserts that the Ingushs have been living in a tense atmosphere for a long time already. [video cuts to show Agapov speaking to camera]

[Agapov] They understood perfectly well that troops mean combat actions, and combat actions mean blood and death. Up to 40,000 Ingushs lived in the territory of the Chechen Republic, in Groznyy itself, and in its suburbs, up to the moment of this conflict. So that means that near ones and dear ones who live in Ingushetia [as heard] could be killed.

[Correspondent] But death strikes not only in Chechnya. Asya Sultanova is in the Ingush republican hospital. Her diagnosis is; fragmentation effect injury of the head with loss of cerebral fluid. On January 3d she was caught in a bomb strike at the Ingush village of Arshty. All her family were killed. [video shows Agapov speaking to correspondent, scenes of Ingushetia, cars on a road, a helicopter in flight, a woman in a hospital bed attached to drip lines]

Agapov Calls Shakhray's Comments 'Fantasy'

LD0102122095 Moscow Russian Television Network in Russian 1100 GMT 1 Feb 95

[From the "Vesti" newscast]

[FBIS Translated Text] The Ingushetian vice president said today that what is happening in the northern Caucasus knocks at the door of every house. In Boris Agapov's opinion, the Russian leadership has placed the Ingush people in the unreliable category. Meanwhile, the Ingushetian vice president recalled, this republic chose a path with Russia when Chechnya stated its independence. What was said at today's news conference may be assessed as a sharp and extremely painful reaction on the part of the Ingushetian republic's leadership to yesterday's statement by Sergey Shakhray, to the effect that Ruslan Aushev is giving shelter to Dzhokhar Dudayev.

[Begin Agapov recording] What he said in his pronouncements amounts to sheer fantasy, which borders on being dishonorable, and I would like to point out that,

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for a person of the office of a deputy prime minister, this is impermissible. This is impermissible even for a housewife, to put it mildly. What is more, he must bear responsibility for such statements and for such remarks. [end recording]

Boris Agapov described Shakhray's statement yesterday as a final warning to Ingushetia, and as a pretext for putting pressure on the republic and its leadership.

North Caucasus Nearing 'Military Crisis'

LD0102130595 Moscow ITAR-TASS World Service in Russian 1146 GMT 1 Feb 95

[By ITAR-TASS correspondents Tamara Ivanova, Mikhail Shevtsov]

[FBIS Translated Text] Moscow, 1 Feb—The development of events in the northern Caucasus demonstrates that certain forces and political circles are attempting to expand the borders of the conflict in Chechnya. The show of force by the center testifies to the fact that "we are on the verge of a military crisis throughout the entire northern Caucasus," Ingushetia's Vice President Boris Agapov stated at a news conference today.

He said that "the people of Ingushetia are on the list of unreliable peoples, they are accused of separatist tendencies." Boris Agapov stressed that Ingushetia cannot imagine itself outside Russia and that the people of Ingushetia made their choice at the time when Chechnya declared its course toward independence. At the same time, Agapov expressed serious concerns that unjustified accusations against Ingushetia might provoke protests among the population, which is experiencing great social tension.

In the opinion of Boris Agapov, one of the reasons for the increasing tension around Ingushetia is the uncontrolled nature of the activities of the power ministries, which are subordinated only to the president, and "are allowed to make decisions on issues of foreign and domestic policy."

Expert Warns Against Aushev Ouster

LD3101182795 Moscow INTERFAX in English 1731 GMT 31 Jan 95

[FBIS Transcribed Text] Moscow, Jan 31 (INTERFAX)—An attempt to oust Ingushetia's President Ruslan Aushev would be "a gigantic mistake", Arkadiy Popov, an expert from the Russian President's Analytical Center, declared in an interview with Interfax Tuesday. He was commenting on some media reports that the presidential administration had allegedly been considering plans to impose a state of emergency on Ingushetia.

The authors of these reports refer to a letter from Vladimir Lozovoy, the head of the temporary administration in the zone of Ossetian-Ingush hostilities, to Boris Yeltsin, a letter that allegedly motivates the need to expand the state of emergency zone in view of Aushev's "pro-Dudayev feelings" and his "disloyalty to federal power."

The source regards Aushev as "the sole stabilizing factor in such an extremely volatile region as Ingushetia." In his opinion, no one but Aushev, enjoying "support from the majority of the republican population and remaining loyal to the Russian state, can hold the situation under control." "If this link disappears, the mechanism of contact between federal authorities and the local population will be disrupted with all the ensuing consequences," Popov believes.

He dismissed as "totally unconstructive" the very idea of expanding the state of emergency zone. "It exists as part of the Ossetian-Ingush conflict and has an altogether different psychological and political meaning than the current zone of powers of territorial rule by the federal authorities in Chechnya," Popov noted.

He regards as "a big mistake" putting Nikolay Semenov, the ex-first secretary of Groznyy's Communist Party committee, in charge of this structure. "In none of the most prosperous Russian republics, there is a Russian governor-general, appointed by Moscow," Popov remarked.

"This is an open challenge to public opinion: You call the Chechen action a colonial war and scare with the threat of a nomenclatura revenge, so in response, we will appoint in Chechnya a Russian governor-general with the record of a party functionary," Popov said.

He doubts that the professional qualities of Semenov, reputed to be "a brilliant manager", will make territorial administration in Chechnya more efficient. "Perhaps, he is a wonderful leader, but it is utterly clear that he has no one to guide in Chechnya today," Popov concluded.

Regional, Republic Leaders View Conflict

MM3101121395 Moscow ROSSIYSKIYE VESTI in Russian 31 Jan 95 p 1

[Report by Dmitriy Orlov and Lyubov Tsukanova on replies to questions put to Russian Federation regional leaders: "Regions Will Not Grow Hoarse If Their Voices Are Heard"]

[FBIS Translated Text] Kaliningrad Oblast Administration Head Yuriy Matochkin focused attention on the fact that there are two sides to the situation in Chechnya. Like everybody, the inhabitants of Russia's regions receive news of the death of Russian citizens in the conflict zone with sorrow. However, there is also an awareness that there also exists the problem of the unity and integrity of a state, of the restoration of constitutional order. In Kaliningrad Oblast, as in many others, a Committee of Soldiers' Mothers has been set up—"we understand them, and we are trying to support them." However, Yuriy Matochkin is unequivocal in his defense of the stance that the Chechen Republic is a component

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of the Russian Federation, and if there are illegal armed formations there, then it is necessary to deal with them in accordance with the law and the Constitution.

Yuriy Matochkin supports measures being undertaken by the prime minister for a political settlement of the crisis, and he believes that military activities have to be halted, but under a bilateral procedure, as the unilateral withdrawal of troops will solve nothing and will merely exacerbate the situation: "It is essential to look several years ahead."

Nizhnyy Novgorod Oblast Governor Boris Nemtsov suggests that it is necessary to consider the factor of a possible partisan war in Chechnya and to choose "the lesser evil." In his opinion, the Chechen Republic needs a general/governor form of rule, based on the support of the population. Nemtsov believes that a "combat general" should occupy the post of general/governor, but he refused to name a specific candidate.

In the governor's view, policy on Chechnya lacks clarity. It is only possible to set up a normal system of administration by introducing a state of emergency on the territory of the Chechen Republic.

Nemtsov gave a negative appraisal of the "separate" meeting of regional leaders in Cheboksary, noting that a visit to Chechnya by the president and the premier would crystallize the attitude of regional leaders toward the Chechen crisis.

Tataria's President Mintimer Shaymiyev is convinced that Dzhokhar Dudayev set himself an "unrealistic task"—the attainment by Chechnya of political independence—and that this was his biggest mistake, but that today the military phase of the settlement in Chechen Republic "has run its course." Above all else, the restoration of economic life and the organization of "the overall process of a peaceful settlement" are essential. However, Shaymiyev is "categorically opposed" to establishing in the Chechen Republic a harsh militarized system of administration, which is being suggested, in particular, by Boris Nemtsov.

Evaluating at ROSSIYSKIYE VESTI's request the recent personnel appointments in the Chechen Republic Government of National Revival, President Shaymiyev stressed that Salambek Khadzhiyev, as an "experienced economist," will undoubtedly be able to organize the work of the executive power.

Karelian Government Head Viktor Stepanov believes that a military solution to the conflict in Chechnya is not the only way. Article 85 of the Russian Federation Constitution gives the president considerable powers to conduct agreed procedures in cases when conflict situations emerge between the Federation as a whole and its individual components. It seems to me that the president has not fully exploited this right. It is possible that I have not been told everything, Viktor Stepanov stressed, but I believe that, even as military activities began—if, indeed, there was no other way—then talks could have been conducted more vigorously at the same time—after all, in any war, the efforts not only of the military but also of the diplomats are needed for it to be concluded speedily.

Viktor Stepanov explained his participation in the Cheboksary meeting of leaders of a number of Russian republics by the desire somehow to influence the development of events. At the same time, he believes that the republic leaders may not have had to convene off their own bat if the president and government had consulted with the regional leaders on central issues. "We might have managed to caution against certain steps, or, at the very least, express our proposals."

Regional Leaders Fail To Meet in Nazran

LD3101131895 Moscow ITAR-TASS in English 1202 GMT 31 Jan 95

[By ITAR-TASS correspondent Ruslan Maysigov]

[FBIS Transcribed Text] Nazran January 31 TASS—A meeting of the heads of the Russian Federation's members which was scheduled to be held in Nazran, the capital of the Ingush Republic, on Tuesday to discuss the north Caucasian situation, failed to materialise.

ITAR-TASS learnt from the Ingush president's secretary Kureish Agasiev that the leaders of Russia's members "could not come due to various reasons".

According to Agasiev, many heads of the Russian Federation's member republics agreed that such a meeting is necessary and suggested that it should be held in Moscow where many of them will come for a session of the Federation Council (Russian parliament upper chamber) by February 6.

Ingush President Ruslan Aushev sent a proposal to the heads of Russia's constituent members to meet in Nazran. This is not the first initiative by the Ingush president, which ended in a flop.

Yeltsin Edict on Ossetian-Ingush State of Emergency

LD3101185795 Moscow ITAR-TASS World Service in Russian 1734 GMT 31 Jan 95

[FBIS Translated Text] Moscow, 31 Jan (ITAR-TASS)—In keeping with Article 102 of the Constitution of the Russian Federation, President Boris Yeltsin today submitted an edict "On the introduction of a state of emergency on part of the territory of the Republic of North Ossetia and the Ingush Republic" to the Federation Council of the Federal Assembly for its endorsement.

There now follows the full text of the edict promulgated by the press service of the head of the Russian state:

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"The political and crime situation in a number of districts of the Republic of North Ossetia and the Ingush Republic remains relatively stable, on the whole, despite the recent events in the Chechen Republic. This was ensured, in the main, thanks to the state of emergency regulations in force on a part of the territory of these republics. Measures to surmount the consequences of the Ossetian-Ingush armed conflict which took place in the autumn of 1992 were taken; refugees continued to return to their permanent places of abode on the territories of the Republic of North Ossetia and the Ingush Republic, although all this was done more slowly than planned.

However, the actions of the illegal armed formations in the Chechen Republic have complicated the process of finally eliminating the consequences of the Ossetian-Ingush armed conflict. There remains a real threat to the safety of citizens living on the territories of the Republic of North Osetia and the Ingush Republic, and there are continuing breaches of law and order on interethnic grounds.

Seeking to preserve a stable situation on the territories of the Republic of North Ossetia and the Ingush Republic and in accordance with Article 88 of the Constitution of the Russian Federation and the RSFSR law "On the state of emergency", and the Russian Federation law "On security", I hereby resolve:

1. To revoke, as of 14 hours 00 minutes on 31 January 1995 the state of emergency on part of the territory of the Republic of North Ossetia and the Ingush Republic introduced by edict of the president of the Russian Federation of 2 December 1994 No. 2145.

2. On the basis of Point 'A' of Article 4 of the RSFSR Law "On the state of emergency", to introduce from 14 hours 00 minutes on 31 January 1995 until 14 hours 00 minutes on 31 March 1995 a state of emergency on the territories of:

The Republic of North Ossetia

Mozdokskiy rayon (with the exclusion of the population centers of Telman, Yelbayevo and Sadovyy), Provoberezhnyy rayon (population centers of Staryy Batakoyurt, Zilga, Olginskoye, Vladikavkaz Airport), Prigorodnyy rayon (villages of Mayskiy, Chermen, Komgaron, Tarskoye, Kurtat, Oktyabrskoye, Kambileyevskoye, Dachnoye, Sunzha, Dongaron) and the city of Vladikavkaz (population centers of Yuzhnyy, Chernorechenskoye, Terk, Balta, Chmi, Nizhniy Lars, Verkhniy Lars, Ezmi, Kartsa and the "Sputnik" military base);

The Ingush Republic

Malgobekskiy rayon (excluding the population centers of Novyy Redant and Chkalovo), Nazranovskiy rayon, Sunzhenskiy rayon (the population centers of Galashki, Muzhichki, Nizhniy Alkun and Verkhniy Alkun), Dzheyrakhskiy rayon (the population centers of Dzheyrakh, Lyazhgi, Beyni and Furtog).

3. To introduce an Interim Administration for the period of the state of emergency as a special form of rule on part of the territory of the Republic of North Ossetia and the Ingush Republic (hereinafter called the Interim Administration).

The Interim Administration is the legal successor of the Interim Administration on part of the territory of the Republic of North Ossetia and the Ingush Republic introduced as a special form of rule by Edict No. 2145 of the President of the Russian Federation of 2 December 1994, "On the introduction of a state of emergency on part of the territory of the Republic of North Ossetia and the Ingush Republic".

4. For the period of the state of emergency:

Special entry and exit procedures will be established as well as procedures for travel within the state of emergency zone, including the checking of documents and where information is received about citizens having weapons—searching of the individual, searching of possessions, housing and means of transport;

The maintenance of public order and guarding of facilities which are of vital importance to the population will be stepped up;

The holding of meetings, rallies, street marches and demonstrations as well as other mass measures in the state of emergency zone will be banned;

The holding of strikes will be banned;

The sale of weapons will be banned;

Information about events in the state of emergency zone will be censored and there will be the right to temporarily seize printed material.

The provisional administration is:

To confiscate firearms and other offensive weapons from citizens as well as ammunition, poisons and explosives;

To expel those who violate public order who are not residents of the localities in question to the places where they have permanent residence or to locations outside the territory on which the state of emergency has been introduced, at their expense;

To suspend, after preliminary warning, the activities of political parties, public organizations and mass movements which are hindering the normalization of the situation;

Taking the situation into account, to introduce a curfew, that is to ban citizens from being on the streets or in public places without specially issued permits and identification documents at set times of the day.

5. To establish that:

directly subordinate to the head of the Interim Administration are: the bodies of executive power of the Republic of North Ossetia and the bodies of executive

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power of the Ingush Republic and also the bodies of local self-management located on the territory to which the state of emergency regime applies;

the bodies of executive power of the above-mentioned republics and the bodies of local self-management located outside the state of emergency zone are subordinated to the head of the Interim Administration on questions of the return to their homes of those forced to move away and on questions of the implementation of the complex of measures to eliminate the consequences of the Ossetian-Ingush armed conflict and the implementation of the state of emergency regime.

Any decisions of the above-mentioned bodies of executive power and bodies of local self-management on the questions defined in this point, adopted without coordination with the head of the Interim Administration do not have the force of law.

6. The Ministry of Internal Affairs of the Russian Federation, the Federal Counterintelligence Service of the Russian Federation and the forces of the Ministry of Defense of the Russian Federation attached to the Interim Administration are to take measures to prevent the armed engagement of the opposing sides, for the defense and safety of citizens and the rigorous observation of the state of emergency regime.

7. The combined forces attached to the Interim Administration of the Ministry of Defense of the Russian Federation, the Ministry of Internal Affairs of the Russian Federation, the Federal Counterintelligence Service of the Russian Federation, the Federal Agency of Government Communications and Information attached to the President of the Russian Federation, and the State Custom Committee of the Russian Federation are to be subordinated in operational terms to the head of the Interim Administration.

8. The Ministry of Internal Affairs of the Russian Federation, the Ministry of Defense of the Russian Federation, the Federal Counterintelligence Sevice of the Russian Federation, and the Procuracy General of the Russian Federation are to take measures to disarm illegal armed formations and to confiscate any illegally held weapons from the public.

9. The government of the Republic of North Ossetia, the Council of Ministers of the Ingush Republic, the Interim Administration, the Procuracy General of the Russian Federation, the Ministry of Internal Affairs of the Russian Federation, the Ministry of Defense of the Russian Federation, and the Ministry of Finance of the Russian Federation are to present a monthly report to the Government of the Russian Federation about the fulfillment of this edict.

10. The Government of the Russian Federation is to:

facilitate the implementation of measures connected with the introduction of the state of energency regime, including by financing them;

provide finance in good time and in full for measures aimed at resolving in an integrated way the problem of refugees and those forced to leave their homes;

facilitate the holding of further talks to settle the conflict; provide financial and economic aid to the Republic of North Ossetia and to the Ingush Republic via the Interim Administration in accordance with federal programs, continuing to provide such aid depending on how constructive the negotiating process between the republics is and how they implement measures to resolve the conflict. To forbid any financing of measures for resolving in an integrated way the problems of those forced to leave their homes which by-passes the head of the Interim Administration.

ensure that those forced to leave their homes continue to return to the population centers of Chermen, Dongaron, Dachnoye and Kurat in Prigorodnyy rayon in the Republic of North Ossetia and that those forced to leave their homes in other population centers on the territories of the Republic of North Ossetia and the Ingush Republic begin to return home on the basis of the agreed procedure;

in March 1995 to draw up and present proposals containing a complex of measures to lift the state of emergency regime on part of the territory of Republic of North Ossetia and the Ingush Republic taking account of the situation pertaining and also proposals aimed at creating a federal administration to eliminate the consequences of the Ossetian-Ingush conflict which took place in October-November 1992.

11. The edict comes into force from the moment it is signed.

12. This edict is to be sent to the Federation Council of the Federal Assembly for confirmation in accordance with Article 102 of the Constitution of the Russian Federation.

Coal Miners in Don Region Begin Work Stoppage

LD0102085595 Moscow ITAR-TASS World Service in Russian 0705 GMT 1 Feb 95

[By ITAR-TASS correspondent Vyacheslav Bondarenko]

[FBIS Translated Text] Rostov-on-Don, 1 Feb—All 26 pits of the Rostovugol [Rostov Coal] fuel mining association, one of the biggest in the Don Region, stopped work today. The miners are demanding that they be paid their wages for November-December and an additional payment for long service and that a plenipotentiary government commission visits to resolve the sector's urgent problems. All of Rostovugol's coal processing and construction enterprises are also idle.

The stoppage at all of the association's pits is seriously complicating the economic and social situation in the Don Region. A two-week stoppage by just six pits has

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already led to interruptions in the work of the Novocherkassk thermal power station, a major one in the south of Russia, and as a result, to the mass disconnection of electricity to the Region's industrial and agricultural enterprises.

Maritime Duma Seen Offering Little Hope for Change

954F1103A Vladivostok KRASNOYE ZNAMYA in Russian 28 Jan 95 p 2

[Article by Sergey Glushkov under the "Editor's Column" rubric: "Well, All Familiar Faces..."]

[FBIS Translated Text] It seems a long time since I last saw many of them. But as I looked around at the first session of the kray duma, I realized that all the faces were familiar... Indeed, could it be any other way? One-third of the elected deputies are former people's deputies of the kray soviet. Eleven out of 31 were either heads or deputy heads of city and rayon administrations with whom I had had occasion to meet one way or another.

And if you were to further analyze the listing of kray deputies, you could say that Maritime Kray had reached a new level of democracy—only bosses are in the positions of power. You will hardly find another situation like it in Russia!

Judge for yourself. Yu. Didenko, former kray soviet deputy, presently general director of the holding company Dalmoreprodukt Joint-Stock Company.

M. Chechelnitskiy, former lieutenant governor, today chairman of the Committee for Fuel Resources of the kray administration.

B. Shulgin, director of the subsidiary Spasskiy Grain Products Base...

The list goes on and on. But why? Look at any line and you will find a boss.

And it is only natural that I. Lebedinets would be elected almost unanimously as chairman of the first kray duma. While A. Prokhorov, head of administration of Nadezhdinskiy Rayon, was elected absolutely unanimously as his deputy.

I can understand the Russian president's representative in Maritime Kray, V. Ignatenko, who declared the following as he introduced I. Lebedinets, then future chairman of the representational authority of the kray:

"As deputy of the kray soviet, Igor Petrovich always stood up for the interests of Maritime Kray people. He resolved issues concerning the fuel and energy complex as lieutenant governor of the kray. It is thanks to him that not one city froze over..."

With the "modesty" characteristic of him, Igor Petrovich gracefully accepted the praises uttered in his honor by Nakhodka City head of administration V. Gnezdilov and Dalnegorsk head of administration Yu. Khokhlov. And of course there is the letter of Partizansk head of administration V. Gelver, in which he not only promised his eternal devotion to Lebedinets, but subtly, in almost party fashion, emphasized the latter's outstanding duty performance, his moral and political qualities.

Ye. Nazdratenko himself, head of the kray administration, completed the outpouring of love. Almost with tears in his eyes, he embraced Igor Petrovich and said:

"Many economic leaders have wound up in the current representational authority. But I hope that, in contrast to the previous soviet, the present kray duma will not 'ram' the problems faced by the executive authority. I hope we will resolve these problems together..."

Almost all the deputies supported Ye. Nazdratenko in this concept. We can only hope that the current representational authority, rising up from nonexistence, will become truly effective. The voters are counting on this first and foremost. Just one thing is disconcerting—the fact that an individual who yesterday occupied one administrative post has today moved to another. Yesterday he was a friend and brother to his boss. Will he today become his opponent? I doubt it! In one band, including the political one, they have played and will continue to play the same song.

But anything can happen. Time will tell, as it begins to record the history of the first kray duma.

Samara Political Scandal Detailed

954F1088B Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 24 Jan 95 p 2

[Article by Yakov Maklovskiy under the "Scandals" rubric: "These Banks Will Not Help the Sick: 'Fresh Air' Is Useful to Russia's Democratic Choice"]

[FBIS Translated Text] **A grandiose political scandal is coming to a head in Samara. Documents have come to the editorial office of the MOYA GAZETA newspaper that make it possible to confirm that almost a year ago a significant amount of the resources due to state medicine of Samara Oblast was siphoned off into the pockets of people who are well known in Samara. Among whom is German Yurevich Shatskiy, chairman of the executive committee of the Samara regional organization of Russia's Democratic Choice Party...**

Briefly, the story goes as follows. In September 1993 the Territorial Mandatory Medical Insurance Fund (TFOMS) was registered in Samara Oblast. On 5 August of that same year Viktor Gerashchenko, former chief of the Central Bank of Russia, signed a directive according to which the TFOMS leadership was authorized to place idle monetary resources in commercial banks at interest in order to protect them against inflation.

The fund, whose chairman of the board at that time was Yuriy Mikhaylovich Borodulin, deputy chief of the oblast administration and now authorized representative

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of the president in Samara Oblast, used the money in a rather original way. The very large sum of R4.2 billion, despite the presence in Samara of all possible kinds of commercial banks that enjoy a solid reputation, was deposited in the Ust-Kinelskiy (rural) branch of the Samara Land Bank, which was established to assist farmers and, for understandable reasons, was not among the leaders of the local financial market.

Later, out of the money transferred by the TFOMS to this bank, credits were given twice (once directly, the other time—through the Samara Ost-Kompani joint-stock company) to nine private persons in an amount of R50 million each. The only condition of the financial operations conducted was that the interest from the issued credits, according to the contract, were transferred to the Samara SKPI-bank to the personal account of three specific citizens:

German Yurevich Shatskiy, chairman of the executive committee of the Samara regional organization of Russia's Democratic Choice Party, who, by the way, is a member of the oblast administration commission for nonpayments;

Shevket Abrarovich Suleymanov, manager of the SKPI-bank;

Mikhail Vladimirovich Shatokhin, deputy director on general questions of the Samara Prok joint-stock company.

As a result of the described schemes, R200 million, R240 million, and R140 million, respectively, went into the personal accounts of Shatskiy, Shatokhin, and Suleymanov in the SKPI-bank.

It is necessary to give just due to the inventiveness of the authors of the conducted financial operations: After all, neither individually nor taken together do they contradict existing legislation. Nevertheless, we will prove through documents the very fact of the siphoning off of taxpayer money earmarked for state medicine into the pockets of private persons.

All the above partly explains the origin of Shatskiy's widely advertised wealth, which enables him to undertake patron of the arts and sponsor activity, about which the local newspapers have been reporting for a long time.

Because of the monetary arrangements that were made, the Samara Land Bank itself ended up in an extremely difficult position. Taking into account the accumulating interest on the sum deposited by the TFOMS, the bank lent the fund on the order of R5 billion. In practice, a substantial part of this money went to Shatskiy, Shatokhin, and Suleymanov, the license for the right to conduct banking activity was canceled for the bank itself as far back as July of last year under mysterious circumstances, and, in fact, at the present time the bank no longer exists. The recently held Court of Arbitration declared the TFOMS's complaint against the Samara Land Bank legal and obligated the latter to return the debt in full.

As a result, the current financial situation in the Samara Oblast TFOMS can be called, without exaggeration, almost catastrophic. The fund does not now have the resources to conduct its immediate activity: the financing of hospitals and other medical organizations, the purchase of medicines, etc.

It is interesting that in connection with this whole story a letter-petition surfaced that was addressed to Boris Yeltsin concerning the appointment of Yuriy Borodulin to the post of authorized representative of the president in Samara Oblast It was signed by German Shatskiy, executive secretary of the Council for United Support of Reforms, and Nikolay Lebedev, chairman of the Committee for Support of the President of Russia. The letter is dated November 1993; that is, it was sent in the same period as the aforementioned financial operations.

KamAZ Plant Cuts Work Week

954F1088A Kazan IZVESTIYA TATARSTANA in Russian 24 Jan 95 p 1

[Article by Yevgenniy Kvitko, IZVESTIYA TATARSTANA: "KamAZ Has Reduced Its Work Week"]

[FBIS Translated Text] Nikolay Bekh, president and general director of the KamAZ [Kama motor vehicle plant] joint-stock company, with the approval of the joint-stock company's trade union committee, signed an order on reducing expenditures on wages this year.

The question concerns switching a substantial number of KamAZ workers from a four-day to a three-day work week. As V. Korolev, deputy chief of the KamAZ budget planning administration, explained to IZVESTIYA TATARSTANA, this compulsory measure was discussed more than once at the most varied levels of the KamAZ leadership, but in the final analysis it was considered necessary.

KamAZ plans an output of 45,000 vehicles this year, which will require expenditures on the labor of 60,000 workers, while there are 2.5 times more workers today. Of the alternatives of compulsory administrative leave and switching to a three-day week, the leadership of the joint-stock company, fearing massive dismissals of "persons on leave," chose the latter.

Voronezh Court Reviews Food Product Quotas

954F1109A Moscow SEGODNYA in Russian 26 Jan 95 p 2

[Article by German Mikhaylov: "Food Tax in Voronezh Oblast Canceled: The Administration Promises Benefits to Investors in Unprofitable Farms"]

[FBIS Translated Text]

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The Market

Voronezh—Voronezh Oblast, which possesses unique fertile soil and a favorable climate, is capable of producing a lot of food. But today producers of agricultural products are not interested in the results of their labor. In Liskinskiy Rayon, for example, because of the disparity between costs and purchase prices, for each tonne of produced milk the kolkhozniks lose R68,000, for each tonne of pork—R644,000, and for each tonne of poultry—R1.5 million. In addition, farmers are also not receiving payment for their labor: The debts for wages in the rayon in the fourth quarter amounted to R1.5 billion. Moreover, according to the calculations of the workers of the rayon agricultural administration, the portion of wages in the cost of livestock products is about 30 percent, and in plant-growing even less—25 percent. That is, farmers take the minimum for themselves. The remaining part consists of POL, energy resources, fertilizer, and all kinds of taxes. According to estimates of the oblast duma agrarian commission, the cost of material resources for three years grew approximately by a factor of 2,000, but the prices for agricultural products—only by a factor of 700.

The agrarian sector receives supplementary payments and subsidies from the state and oblast budget; however, according to the estimates of specialists, those sums that reached Voronezh villages in 1994 covered a total of only 78 percent of production costs.

But all the same old administrative methods are being used to "whip up" agricultural production. A directive is in effect in Voronezh Oblast that strictly forbids the public sector to lower the total head of livestock of cattle breeding farms. Until recently, agricultural producers were obliged to sell food to the oblast fund at hard prices designated by the administration. Only in this case were they given licenses for the sale of the remainder of production outside the boundaries of their own territory.

However, the Voronezh Oblast court declared that the decree of the head of administration of the oblast concerning the licensing of wholesale trade and the allocation of food commodities was contradictory to the law and not subject to implementation. Thus, the fight for a free market that farmers and kolkhozniks have been waging with the governor of the oblast since October of last year ended in victory.

The farmers are saying: "If we were paid for our grain as much as is now paid for American grain, we could resolve the question of grain abundance in two years." At the same time, the village is not so much in need of subsidies as in need of significant investments. The interest in the agricultural production of the oblast on the part of the industrial and raw materials regions—Moscow, Murmansk, Cherepovets, Tyumen, and Bashkortostan—has begun to increase noticeably of late. "However, if they begin to construct their own estimates only on the basis of coming and buying finished products, they might end up with nothing," says Boris Konovalov, chief of the oblast agriculture department. "Without solid investments, the expansion of production in the village is not feasible. We are ready to grant benefits and guarantees to those who will invest resources in future harvests."

Economic Issues

Provisions of Edict on Foreign Investment Analyzed

MM3101145195 Moscow ROSSIYSKIYE VESTI in Russian 31 Jan 95 p 2

[Article by Sergey Tsakunov under the "We Comment on the President's Edict" rubric: "Pepsi Cola and Other 'Giants' in the Russian Market"]

[FBIS Translated Text] President B. Yeltsin's edict on additional measures to attract foreign investments was published recently. It is typical that it was signed on the eve of the Russian delegation's departure for the World Economic Forum in Davos. The people attending that forum were not only representatives of the world's political elite but also of its economic elite, representatives of the major companies working in Russia. The edict is largely oriented toward precisely that section of entrepreneurs.

There are various types of foreign investors operating in Russia. Two groups of companies stand out above all: The "venture capital" ["venchurnyy"] companies which came to the market relatively recently and are not currently planning a long-term stay in Russia but have been attracted by the possibility of fabulous profits. They will perhaps help to develop the market but offer no help in finding a solution to the crisis of the Russian economy.

The "giants," the well-known transnational firms, are a different matter. The majority of them have a long-term strategy for work in Russia which is quite resistant to fluctuations in the Russian investment and economic climate. Such companies came to us on a "serious, long-term" basis. They believe in the Russian reforms and in the Russian market's future potential. Of course, they too are counting on big returns from their operations in Russia. But, unlike the first type of company, they intend to carry out long-term investments in the production infrastructure, in the training of Russian personnel, in the development of communications, and so forth. These companies are household names: Hewlett-Packard, Coca Cola, Pepsi Cola, Mars, Polaroid, and Proctor and Gamble. They are able to give quite substantial assistance right now in the sphere of material production and can provide the initial impetus to the renovation of individual production units.

The edict signed 25 January could considerably influence such companies' decisions in favor of investing in Russia. It offers major foreign investors a simple and original scheme: They get a 50-percent reduction in

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import duties on foreign goods if they invest at least $100 million in the Russian economy. Today the 10 largest Western companies provide 90 percent of the annual foreign investments in the Russian economy. Clearly if each of them decides to take advantage of the opportunity offered by the new edict, this year the volume of foreign investments in Russia could at least double to $2-2.5 billion in the very near future. Furthermore, it may be presumed that the edict will also indirectly encourage the return of Russian capital from abroad in the guise of foreign capital.

However, it has to be noted that, as has often happened in the past, not all the president's edicts are fulfilled unconditionally by the Russian finance and tax services. We recall the example of the edict introducing the "grandfather clause" ["dedushkina ogovorka"] whereby foreign investors are given immunity against adverse changes in Russian legislation. The tax services did not acknowledge the edict. The same reaction can be expected from staffers of the State Customs Service toward the edict on customs duty incentives. The customs service has always stressed that the Law on the Customs Tariff is the only authoritative document for it.

Of course there is no denying that in a rule-of-law state the law must be paramount. But what happens when laws have spent years languishing in the corridors of power without being adopted by the Duma? What happens when construction has already begun and industrial enterprises are in vital need of investments? Probably the legislators or the president himself could resolve this conflict by setting mandatory deadlines for amendments to laws after the publication of the president's edicts. Clearly it is no coincidence that the president instructed the government to prepare and approve a procedure for the application of customs import duties at one-half the normal rate for foreign goods and also the statute on the procedure for the conclusion and implementation of investment agreements envisaged by this edict. Draft legislative acts designed to attract foreign investments on the terms defined by the document are to be submitted for examination by the Federal Assembly chambers within two months.

Fedorov Hits Duma Budget, Central Bank Policies

MM3101123195 Moscow IZVESTIYA in Russian 31 Jan 95 p 2

[Article by State Duma Deputy Boris Fedorov: "Pinning the Blame on Others?"

[FBIS Translated Text] The State Duma has adopted the budget on second reading, although everyone realizes that it takes us nowhere and will never be implemented. Three minutes later deputies voted to increase the minimum wage, which completely negated the budget. The government is pretending to pursue a policy and parliament is pretending to approve it. Naturally, the entire country is suffering.

The recent actions of the Central Bank of Russia are also seriously discouraging. There has been a sharp increase in people laying down the law, sending forceful telegrams. You get the feeling that somebody has advised the bank to do everything that it itself was previously set against.

It is clear that the authorities are worried most about a further and unpredictable *fall in the ruble and uncontrolled increase in inflation.* This is where reformist abilities should be to the fore and people should start really solving our problems.

Instead, an attempt is being made to find a solution at the expense of those who are not as strong as the government. They found a solution—following "Black Tuesday" the commercial banks were blamed for everything, and it was necessary to reduce their open foreign-currency position (how much currency they could buy for their own account), increase their ruble reserve requirements (the standard amount of money frozen at the Central Bank), and introduce similar foreign-currency reserve requirements.

The intentions were clear—to reduce demand for foreign exchange and thereby support and ruble and cut inflation. But it has long been known from the practice of central banks around the world that it is useless to fight the market with intervention (the buying and selling of currency) and other technical tricks if a normal economic policy is lacking. At best, we can try to smooth out rate fluctuations, and, at worst, *we should not spit into the wind,* or our problems will be even worse.

In our case, after a year of struggling unsuccessfully against the wind, the Central Bank realized that, under the existing economic policy, it would be deprived of all its foreign reserves in a vain attempt to defend the ruble. This is why it has started looking for "new" methods of restricting business activity.

The main mistake was the wrong diagnosis. *The main cause of inflation is the state budget and the methods of covering the deficit.* But, instead of this, we are combating bank lending, which is inevitably delaying the economic upturn we have been anticipating for so many years.

By placing restrictions on the commercial banks, the Central Bank and the government are resolving their problems at the expense of others. The consequences will be increasingly expensive banking services and rises in interest rates, since the extra costs will be passed on to customers. It all boils down to embellishing reality, while the real state of affairs can already been seen in the growing gap between the ruble rates on the cash and noncash markets. *If things go any further, a black market will reappear.*

Or it is proposed to have foreign-currency reserves held in rubles without indexation or payment of interest. This means that when the funds are repaid the bank loses out

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on the exchange-rate difference, which, in the current situation, could mean the loss of a large proportion of the amount of foreign-currency frozen. How is that better than an "MMM" or a "Tibet" [pyramid-sales investment and finance companies]?

In general, attempts to solve problems not by economic means but by purely administrative and often senseless means are very typical of our country. For instance, the requirement to open just one current account is an absurdity which will complicate everyone's lives and have no benefits. The same is true of the restriction on corporate bodies using cash—be it 500,000 rubles [R] or R2 million. Or the tax on exceeding the labor remuneration fund. These and many other things can, for the sake of brevity, be termed economic incompetence, and are something that we need to put a stop to urgently.

If somebody were to ask what we should be doing, the prescriptions would not be new:

- Adopt a realistic budget and do not spend over and above the budget;
- Do not fund the budget at the expense of the Central Bank;
- Abandon all unproductive expenditure, subsidies, and concessions;
- Carry out comprehensive tax reform;
- Achieve financial discipline at all levels of management, and so forth.

There are more and more problems with financial, monetary, and credit policy. *The more people there are in the government who want to please their bosses, the fewer politicians there are.* The authorities like officials who say nothing unpleasant and do not argue. If there are such people at the Central Bank, woe betide us all, since the Central Bank is thus essentially turning into an appendage of the executive.

For just how much longer will the authorities continue to pin all their problems on others? The president has no right to be increasingly moving away not just from reform but from common sense.

Central Bank Head Seen Following Gerashchenko Line

MK3101131095 Moscow SEGODNYA in Russian 31 Jan 95 p 2

[Report by Aleksandr Bekker: "Gerashchenko's Duties Are Being Acted Out"]

[FBIS Translated Excerpt] In the strictly male company that gathered a few days ago at the Economy Ministry Collegium session, Central Bank chief-designate Tatyana Paramonova stood out. She stood out not only in that she was the sole representative of the "fairer sex." Her statement apparently stood out against the general tone of the other reports. The ministers were "wringing their hands" about last year's missed opportunity to bring inflation down. Yasin called for a lesson to be drawn from what has happened: "Concessions in the financial stabilization policy are very expensive and must not be allowed no matter what." Panskov reproached lobbyists of every description for encroaching on spending articles: "If the budget is not adopted as we presented it, there will be an economic collapse." The keynote of Premier Chernomyrdin's address too was the idea of achieving a macroeconomic equilibrium: "A monetary policy—a very tough one.... It is imperative to achieve a breakthrough in the sphere of financial stabilization."

When Tatyana Paramonova's turn came, she said in a level tone: "We cannot resolve the problems of financial stabilization by monetary impacts alone." The banker cited price regulation in the West and advised making sure that monetary compression corresponds to the rate of recession and the growth of unemployment. "I would like the Economy Ministry to pay attention to problems of industrial and agricultural policy pursued by—I shall venture to use this word—the state," Central Bank acting head said.

Paramonova's thesis about the need for the government to calculate each step per se is not subject to criticism. As chief banker, she knows very well that the Economy Ministry regulates prices in natural monopolies and has envisioned 1.5 trillion rubles in the budget to attract private investments to state projects on a competitive basis. Accentuating the idea about the limitations of "pure" monetarism, the Central Bank head expressed her skepticism about the effectiveness of controlling the money supply with the present state of the national economy. [passage omitted]

The paradox of the Russian situation is that the government proclaims a course toward financial stabilization and—even if with mistakes and inconsistencies—tries to suppress inflation and fix the ruble. Meanwhile the chief doctor—the Central Bank, sometimes along with parliament—persistently recommends using diametrically different methods. The new nuances in Paramonova's statements are hardly accidental. Her patron and "godfather" Gerashchenko, having left the post of chairman, has not given up his cause. He is adviser to the Central Bank head. Awarded a diploma of honorary economics professor five days ago, the inspired Viktor Vladimirovich will apparently be prompting his protege with yet greater vigor. Tatyana Vladimirovna's hearing and suggestibility are excellent: A few days ago at a Russian-French colloquium on inflation problems Paramonova said that the "experience of West European countries points to the expediency of using in the struggle against inflation both market and administrative measures, as required." Now it is finally clear where the wind of a fixed ruble rate is blowing from.

Of course, one should not expect the former confrontation between the Central Bank and the government. I do not think that it will come to the biting duel that existed between Fedorov and Gerashchenko. Paramonova, excuse me, is no match for her predecessor in Machiavellianism, while Panskov and Yasin differ from

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Fedorov in their temper. It is even more important that the White House and the house on Zhitnaya Street [Central Bank headquarters] are linked by economic reality. The government must finance 18 trillion rubles of spending in the first quarter. The Central Bank is to make immediately available the first 5 trillion rubles of a virtually interest-free credit to close the cash gap (i.e., until January tax revenues have come to the treasury). Furthermore, the Central Bank is the government's official agent on placing state treasury bills. Under the budget, 31 trillion rubles worth of such bills, which constitutes 40 percent of the budget deficit, are to be realized this year. In this situation it is very likely that the bank, failing to find interested clients, will itself have to buy state treasury bills and treasury bonds. So the government does not stand to gain from a loud political scandal with the Central Bank.

Government Seen Reversing Line on FIG's

MK3101132095 Moscow KOMMERSANT-DAILY in Russian 31 Jan 95 p 3

[Report by Vladislav Borodulin: "The Authorities Are Ready To Recognize Alternative Groups"]

[FBIS Translated Text] One financial-industrial group [FIG] in 53 days—this was approximately the rate at which financial- industrial groups were created last year, which, according to Boris Yeltsin, was to become the year of creating such groups in Russia. Did it become such? Bureaucrats, bankers, and industrialists will respond differently to this question. Today, 420 days after the edict initiating the creation of large national corporations came out, one can only talk about what financial-industrial groups have failed to become in this country: They have failed to become points of industrial growth, as the government hoped; and they have failed to become super-influential centers of lobbyism, as the liberal press feared. Generally, it is senseless to look for real financial-industrial groups in the financial-industrial groups registry, which is carefully maintained by the government: Even if there are any, their headquarters should be looked for not in the industrial Urals but in financial Moscow.

Russia is one of the few states in the world whose corporate law enshrines the thesis: There are financial-industrial groups and there are financial-industrial groups. The first are those registered by the government; the latter are those created "at the bottom level" and not particularly publicizing their activity. As some government officials admit, the activity by these two types of groups proceeds on different, virtually independent planes. The notion "financial-industrial group" was divided in two on 5 December 1993, when the president signed an edict on the creation of financial-industrial groups.

Under it (and other cabinet resolutions), financial-industrial groups were understood only as officially registered associations of enterprises, banks, and trade organizations. By now the State Industry Committee has managed to register eight groups. Is this a lot or a little? Little, if talking about any serious influence by these formations on the country's economy (even if it is admitted that all official financial-industrial groups a priori are super- effective). Many, in order to demonstrate the authorities' abandonment of the idea of general "holdingization" of the economy. And quite sufficient, in order to trace—based on the example of the eight—the evolution of the government's attitude to financial-industrial groups in general and to "alternative" (in this case, real) financial-industrial groups in particular.

The idea of creating financial-industrial groups as a panacea for the national industry reached its peak in late 1993-early 1994. On the backwash of this wave the State Industry Committee, headed by Igor Shurchkov, prepared a package of documents which established a multistage order for creating financial groups. The harmless—in the sense that it directly banned the forced formation of financial-industrial groups—order initiated the creation of financial-industrial groups with a clearly pronounced industrial accent. As a rule, financial structures affiliated with these associations were unquestionably weak or at the very least they did not measure up to the scale of industrial capital being pooled. As a result, some of the newly created groups began to promote some absolutely preposterous (in other words, illegal) projects for attracting investments.

True, by that moment the authorities' enthusiasm appreciably waned and the winter slogan—"Financial-industrial groups are the future of the Russian economy"—was being pronounced more by inertia. This mood found its reflection in the 16 January Government Decree "On the Program of Assisting the Formation of Financial-Industrial Groups." Full of inner contradictions, the document contains basically only one fresh idea with respect to financial-industrial groups: preferences in exchange for certain conditions. Naturally, such a formulation provides grounds for individual benefits, and for this reason alone cannot be translated into life. It is clear, however, that the authors of the decree did not intend to deliver on all of their promises in the first place. The main objective was to demonstrate the authorities' care about financial-industrial groups by providing for a maximum broad range of breaks in the program. Thereby an influx of the new poor seeking to enter the state registry of financial-industrial groups was encouraged.

Statements by Aleksandr Kalin, deputy chairman of the State Industry Committee, made at a seminar organized by Chamber of Commerce and Industry, appear much more symptomatic. Kalin admitted: "Gazprom, Lukoil, and the Most and Alfa groups are also financial-industrial groups." The official recognition of this self-evident fact could effectively mean a full reversal of the government's course. The actual admission by the officials that real financial-industrial groups are most of the

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time not interested in official registration also means that the government has come to the conclusion vis-a-vis the "official" groups' intrinsic mercantilism (they have been fighting for privileges, even if imperceptible ones).

Granted, the fact that the authorities have shifted their attention to groups "created as a result of financial capital penetrating industrial capital" or to "state enterprises which have created a financial infrastructure around themselves" does not at all mean new methods have appeared to stimulate their growth. Stimulation, for instance, at the expense of reducing the norm of deductions to obligatory reserve funds and long-term investments by banks associated with a group (which, incidentally, is provided for in the assistance program) has a reverse side: reduction in the reliability of the banking system. Just as unlikely are state guarantees for the securities issued by financial-industrial groups: because this obviously calls for changes in the draft federal budget.

And still, financial-industrial groups can count on budget support. The Economy Ministry is planning to allocate 1.3 trillion rubles for state-and-private financing of investment projects. Just one condition must be observed, however: A project must be super-effective. In this case the government is ready to turn a blind eye to nearly all of its former slogans like "the identity of national interests and business interests" and "structural policy above all," in order to demonstrate: With its actions and with its money, it can bring about at least a little upsurge of business activity.

Only Consistent Recovery Can Overcome 'Dollarization'

MM3101142195 Moscow TRUD in Russian 31 Jan 95 p 4

[Report by Vitaliy Golovachev: "Financial Barometer: Flight From the Ruble Becoming Dangerous"]

[FBIS Translated Text] **The more we are reassured that everything "is not that bad" and that better times will allegedly soon come along, the more alarm ordinary citizens are displaying. They see what is happening on the consumer market, how prices are soaring and the ruble falling, and they draw practical conclusions. Economic instability is intensified by political instability (and vice versa). All this explains to a considerable extent why many Russians are trying to exchange unstable rubles for stable dollars or other hard currency.**

The State Committee for Statistics cites fantastic figures:

In the first 11 months of 1994 alone the Russian population bought 45 trillion rubles' [R] worth of hard currency. That is roughly $13 billion—a huge amount of money even by U.S. standards.

It seems strange to someone uninitiated in the intricacies of finance: How can R45 trillion be spent on buying hard currency when, according to my calculations, as of 1 December there was only R32.7 trillion in cash in Russia (official figures have for some reason ceased to be published). The answer is simple: Citizens have not acquired hard currency overnight; they did not buy all $13 billion in a day but over 11 months. Ruble banknotes pass out of someone's possession and, after being in circulation for a while, return to him in the form of wages, for instance; and then he spends them again. That is also why **Russian citizens' total money income last year stood at R360 trillion, which is almost 10 times the amount of rubles in cash.**

But let us return to hard currency. Today vast quantities of it are in circulation in Russia: It is estimated that as of the end of January the figure was around $16 billion. In our currency (at the official rate of exchange) that is over R64 trillion, which is almost twice the entire ruble supply. In other words, the dollar is conquering more and more stable positions in cash terms, ousting our national currency. Even ordinary citizens are borrowing (long-term) and repaying money in dollars increasingly frequently. Everyone who has even a small amount of spare cash is trying to buy dollars. At the same time citizens of modest means are generally not putting their $200 or $600 in the bank. People have learned from bitter experience not to trust either the commercial banks or the state—they know that they could see their last bean "grabbed" at any minute.

What is the upshot? Is it a bad thing or a good thing that billions of "greenbacks" are being kept "in a sock" in Russian citizens' apartments? It is a very bad thing for the country. After all, these dollars have not appeared from nowhere—foreigners have been paid for them in oil, timber, aluminum, and Russian labor.... The dollars are lying idle, **they are not "working,"** consequently they constitute "worthless pieces of paper" as far as the country is concerned. We took these worthless pieces of paper and gave foreign countries plenty of material assets. Thus, in the grip of economic crisis Russia is, as it were, providing rich countries with credit....

Another minus to the "dollarization of the entire country" is the further weakening of our national currency, which has repeatedly been discussed.

The following question arises. What is to be done—should we ban the dollar in Russia? Should a fixed rate of exchange be set? But that would indeed mark the **end of the market economy and reforms.** The price of bans is well known. Not to mention the further despoliation of Russians with no confidence in the future, who are stockpiling these hundreds of "greenbacks" for a "rainy" day. No, bans and administrative measures only set people against the authorities and reform. The only way is economic recovery, far more lucid reform tactics and strategy, and political and economic stability. And, of course, a well-conceived monetary-financial policy. If, for instance, a savings bank client receives less "in interest" than inflation "cuts" into his deposit, he will not put money in a savings bank but will buy dollars.

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Hard currency is also clearly going to be advantaged by... our Russian budget, whose deficit stands at many tens of trillions of rubles. It is absurd to say for the thousandth time that spending in a state, as in a family, must tally with income. We spend all our time trying to convince one another of this, but we do the opposite.

Further delay with reform is extremely dangerous. Another symptom of this is the fact that the dollar supply is twice as large as the ruble supply. Will members of the government and legislators heed this latest alarm signal?

Fixed Ruble Rate Against Dollar Ruled Out

MM3101133195 Moscow ROSSIYSKAYA GAZETA in Russian 31 Jan 95 First Edition p 1

[Unattributed report: "The Ruble Does Not Fall of Its Own Accord"]

[FBIS Translated Excerpt] [Passage omitted] The Central Bank of Russia [CBR] has sufficient currency reserves to sustain a ruble floating against the dollar, stated CBR Deputy Chairman Aleksandr Khandruyev.

In an interview with a BIZNESS-TASS correspondent, he rejected any likelihood of a fixed ruble rate being introduced at the present time.

The exchange rate of the ruble depends on the macroeconomic situation in the country, inflationary trends, and the size of the state budget deficit and the country's gold and currency reserves, Aleksandr Khandruyev stressed.

Inflation Data for 17-24 Jan Reviewed

MM0102094995 Moscow ROSSIYSKAYA GAZETA in Russian 1 Feb 95 First Edition p 3

[Report "based on data provided by the Center for the Economic Situation Price Analysis and Forecasting Administration": "Prices for the Week 17-24 January. Our Purses Are Emptying at a Rapid Rate"]

[FBIS Translated Text] In the past week the level of inflation remained fairly high and stood at 3.8 percent (as opposed to 4.1 percent the previous week). There has been no change in the estimated anticipated level of inflation in January (18-19 percent). Throughout the past week the price of nonfood commodities and consumer services rose by 3 and 3.2 percent respectively.

Ragout Without Meat and Vegetables

Prices of basic foods over the last week rose by 4.4 percent, up 17.4 percent since the beginning of the month. Prices of dairy produce and eggs are still rising rapidly. Since the beginning of January meat products have also joined the leaders. In the past week the price of dairy produce, meat products, and eggs and vegetables rose by 6.8, 5.7, and 5.4 percent respectively.

Since the beginning of the month prices of animal fat have risen more than those of other foods—by 30 percent, while prices of dairy produce and eggs rose by 29 percent, meat products by 22 percent, and vegetables by 21 percent.

The average cost of the 19 most important foods was 131,000 rubles [R] per month, up 4.5 percent over the week and 22.1 percent since the beginning of the month. At official and unofficial trade prices this basket cost R127,000 and R161,000 respectively. The ratio between the cost of the basket of goods at unofficial and official trade prices remains 1.3:1.

Among Russia's cities the cost of the food basket rose the most in the cities of Tatarstan: Naberezhnyye Chelny—up 29 percent, Kazan—up 22 percent, and Chistopol—up 17 percent. In these cities the highest price rises were recorded for the following products on the list of foods in the basket: beef—60-120 percent, milk and sour cream—40-70 percent, and boiled and semismoked sausage—20-40 percent

The cost of the food basket in Moscow stood at R157,000. While in St. Petersburg the price of the food basket compared with Moscow rose considerably to R137,000. Moscow is 21st on the list of surveyed cities (22d a week ago), and St. Petersburg rose from 47th to 37th place.

Footwear Prices Rise, But Not Severely

Over the past week prices of nonfood commodities continued to rise more slowly than prices of food and consumer services. Prices of these commodities rose by 3 percent, up 9.7 percent since the beginning of the month. Prices of household electrical goods, certain kinds of furniture, wallpaper, and matches rose the most—by 4 percent. While prices of footwear and fuel rose the least—by 2 percent.

The gap between the maximum and minimum prices of similar goods is not closing. Thus, for instance, in respect of sewn goods for adults and children the gap stood at around 450 and 600 percent respectively. Prices of knitwear for adults differed by 200-600 percent while prices of children's knitwear differed by 300-800 percent, prices of women's and men's footwear by around 400 percent and prices of children's footwear by 500 percent.

Services Are Costly Even If They Thus Become Disservices

Prices and tariffs for consumer services last week rose by 3.2 percent, up 20.8 percent since the beginning of the month. Payments for gas, hot water, electricity, and apartment rent rates rose the most over the past week—up 11.4, 6, 5.2, and 3.9 percent respectively.

Since the beginning of the month the price of gas has risen the most noticeably—by 70 percent, while the cost of apartment rents and the hot water supply has risen by 50 percent.

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Considerable differentiation persisted 17 through 24 January in the price of consumer services throughout the various economic regions, standing at 10 percentage points. The 12.5-fold rise in gas tariffs in the cities of Bashkortostan considerably affected the rise in the price of consumer services as a whole in the Ural Region in particular. The population of Ufa, Ishimbay, Neftekamsk, and Sterlitamak now have to pay R250 for gas instead of R20 per capita.

'Style-Bank' Currency License Not Revoked

MM0102104595 Moscow IZVESTIYA in Russian 28 Jan 95 p 2

[Unattributed report: " 'Style-Bank's' Currency License Not Revoked"]

[FBIS Translated Text] In connection with a request from "Style-Bank" and its clients regarding the reports which have appeared in the press that this bank's currency license has been revoked, the Central Bank of Russia main administration for Moscow City has informed commercial banks, organizations, and the population of the Moscow region that this report is untrue.

Grain Imports 1995 Not More Than 2 Million Tonnes

MM3101151795 Moscow KOMSOMOLSKAYA PRAVDA in Russian 31 Jan 95

[Report by Igor Verkholomov: "No Grain? Let's Buy Some"—From the Business Tuesday Section p 1]

[FBIS Translated Text] Vice premier Aleksandr Zaveryukha has announced that this year Russia will buy no more than 1.5-2 million tonnes of grain abroad. Some 84 million tonnes of grain were procured in 1994, and Russia even managed to export around 400,000 tonnes of barley and rye.

The question of grain imports has developed from a purely economic problem into a political one. But the vice premier warned that the volume of purchases of imported grain could be significantly increased in 1996. According to A. Zaveryukha, this is due to the impoverishment of the soil as a result of underfertilization. Agroindustrial complex experts put the probable volume of purchases in 1996 (given the existing system of financing) at 15-20 million tonnes.

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International Affairs

German Finance Minister, Ukrainian Ministers Hold Talks

LD3101194795 Kiev Radio Ukraine World Service in Ukrainian 1700 GMT 31 Jan 95

[FBIS Translated Excerpt] German Federal Finance Minister Theo Waigel arrived in Ukraine on 30 January. [passage omitted]

The minister held a business meeting at the Ukrainian Cabinet of Ministers. Deputy Prime Minister Ihor Mityukov said during the talks that Germany was and remained Ukraine's number one partner, both according to the trade turnover and the extent of credits and investments. Germany also ranks first according to the number of joint ventures in Ukraine. It was the first to recognize the fact that the Ukrainian economy had a great potential. The Ukrainian Government pays a great deal of attention to the process of the two countries' cooperation and assists it in every way, Mr Mityukov said.

One could say without exaggeration that no major problem of reforming Ukrainian economy can be solved without considerable support from Germany. Mr. Waigel said his country supported the efforts to reform Ukrainian economy. Germany has granted a large amount of aid for the intensification of agricultural production, including sugar beet and oil-seed crop production, and for the development of the processing industry.

The meeting was attended by Ukraine's Finance Minister Petro Hermanchuk and Economy Minister Roman Shpek. First Deputy Prime Minister Viktor Pynzenyk gave Mr. Waigel a detailed description of the progress in Ukraine's reforms launched at the end of last year. The German finance minister and the senior Ukrainian officials discussed the possibilities of further coordinating efforts and forming effective mechanisms of interaction to assist the integration of Ukraine's financial system with that of Europe.

Discuss Reforms

LD3101163095 Kiev UNIAR in Ukrainian 1300 GMT 31 Jan 95

[FBIS Translated Text] Kiev, 31 Jan—The stay in Kiev of Theo Waigel, Germany's federal finance minister, is continuing.

A meeting with Viktor Yushchenko, chairman of the board of Ukraine's National Bank, was about reforming Ukraine's financial and banking system, in particular the National Bank's role in the transition to a market [economy]. Theo Waigel expressed an intention to coordinate the National Bank's action program with the International Monetary Fund in order to accelerate the integration of Ukraine's financial and banking system into the European one.

Kuchma Confers With Visiting German Finance Minister

LD3101133595 Berlin DDP/ADN in German 1226 GMT 31 Jan 95

[FBIS Translated Excerpt] Kiev, (DDP/ADN)—German Finance Minister Theo Waigel has encouraged Ukraine to remain firmly on the path of reform. In Kiev today, he presented a German-funded housing complex for Ukrainian soldiers back from the former GDR. Waigel said at the presentation that there is "no alternative" to the policy of reform. He said experience in other eastern European countries confirms this.

Waigel beforehand met Ukrainian President Leonid Kuchma for an exchange of opinion. They discussed economic developments in Ukraine, the reform process, and the closure of the Chernobyl nuclear power plant, where a malfunction occurred again last Sunday. [passage omitted]

Waigel said he spoke to Kuchma about Ukraine's economic difficulties. He said Kuchma reaffirmed his determination to continue on the path of reform. Waigel said Germany is following Ukraine's progress "with keen interest." [passage omitted]

He said Germany has given more financial aid to Ukraine, bilaterally and via the European Union, than any other Western country. He said German support since 1991 amounts to 2.5 billion German marks. This ranges from export credit guarantees to technical aid and a housing program, he said. [passage omitted]

Kuchma 'Prepared' To Close Down Chernobyl Power Station

LD3101200295 Moscow INTERFAX in English 1836 GMT 31 Jan 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] Kiev, Jan 31 (INTERFAX-UKRAINE)—German Finance Minister Theo Weigel, who arrived in Kiev Tuesday to take part in the ceremony marking the completion of the construction of a residential neighborhood for Ukrainian servicemen, met with Ukrainian President Leonid Kuchma, First Deputy Prime Minister Viktor Pinzenik and Deputy Prime Minister Igor Mityukov.

A spokesman for the Ukrainian president told INTERFAX-UKRAINE that at the meeting with Weigel, Kuchma said that Ukraine pays much attention to the development of economic relations with Germany.

Whilst discussing the problem of the closure of the Chernobyl nuclear power station, Kuchma said that "he is prepared to put his signature under the decision for the station's closure." He said that many unresolved issues are associated with this problem.

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Earlier the Ukrainian leadership said that the measures aimed at closure of the Chernobyl nuclear power plant demands $5-8 billion investments.

Kuchma spoke in favor of practical assistance on the part of the West in preparing monetary reform in Ukraine. He said that the reform "will not be confiscating in character and its holding will be declared in advance."

Discussing the situation in Chechnya, Kuchma said that "he did not support the methods used by the Russian leadership."

Weigel said that he intends to outline Ukraine's position concerning reforms and the Chernobyl station closure at the conference of the G-7 finance ministers which will take place in Toronto.

Poland Signs Protocol on Using Spare Oil Refinery Capacity

LD3101124995 Kiev UNIAN in Ukrainian 0915 GMT 31 Jan 95

[FBIS Translated Text] Kiev [no date as received]—According to Oleh Dyomin, deputy chairman of Ukraine's Supreme Council, trade turnover between Ukraine and Poland is currently worth $400 million, which is equivalent to the amount traded between two firms, UNIAN news agency reported. He said this during a meeting with Jozef Lochowski, chairman of the parliamentary commission for economic systems and industry.

Lochowski informed Oleh Dyomin that his commission, together with the Ukrainian parliamentary Commission for Issues of Economic Policy and Management of the National Economy and the Commission for Issues of Basic Branches and Socioeconomic Development of Regions would sign a protocol of intent on economic cooperation on 31 January.

The agency said that Jozef Lochowski and Ukraine's First Deputy Prime Minister Viktor Pynzenyk reached an agreement to enable Poland to make use of Ukraine's oil refining capacity and create an infrastructure in the border oblasts to ease customs regulations.

It was also stated at the meeting that Poland will open a consulate in the Ukrainian city of Kharkov on 1 March.

Inquiry Begins To Identify Ukrainians Fighting in Chechnya

LD3101174595 Kiev UNIAN in Ukrainian 1345 GMT 31 Jan 95

[FBIS Translated Text] Kiev—"Ukraine's Ministry of Foreign Affairs has instructed the Ukrainian Embassy in Russia to establish all the necessary facts about Oleh Kharchenko who, according to Russia's Federal Counterintelligence Service, was detained as a mercenary in the zone of the Russia-Chechen conflict," Yuriy Serheyev, the head of the information directorate told journalists at a Ukrainian Foreign Ministry briefing on 31 January.

He also said that the Ukrainian Ministry of Foreign Affairs had received a request from UNA-UNSO [Ukrainian National Assembly-Ukrainian National Defense] to look into this affair because the organization did not have a fighter with this name.

Serheyev denied mass media reports that 27 zinc coffins containing the bodies of Ukrainians who served in the Russian Army had arrived in Ukraine. He had information that 13 such coffins had arrived. He also noted that Ukraine's Ministry of Defense is investigating whether they were regular servicemen or people who had been recruited in Ukraine by Russia's special services.

Tsekov on Netherlands Roundtable Talks

954F1101A Simferopol KRYMSKAYA PRAVDA in Russian 27 Jan 95 p 1

[Report by O. Volodin: "Dealing With Problems of the CIS in the Land of Tulips"]

[FBIS Translated Text] At a news conference held in the Supreme Council of Crimea on 25 January S.P. Tsekov, head of the Crimean Government, answered journalists' questions connected with his recent trip to the Netherlands.

In the course of the visit of the guests from Crimea to the land of tulips, which took place from 13 through 20 January, they took part in a session of a roundtable devoted to an exchange of experience on a resolution of the problems of federalization in the post-Soviet states and also discussed with the Dutch side certain aspects of mutually profitable economic cooperation. Specifically, a number of Dutch firms intend to participate most actively in the modernization of the poultry-breeding complexes and meat-packing industry of Crimea.

But the main event was, of course, the representative international forum held in The Hague's Palace of Peace, where the International Court of Arbitration meets, incidentally. Representatives of the Russian Federation and Tatarstan, Ukraine and Crimea, Moldova, the Dniester region, Gagauzia, Georgia, and Abkhazia took part in the roundtable meeting.

Of course, there are no grounds for drawing a direct analogy between all these regions—some of them are trying with varying degrees of success to settle problems with the center, others have been unable to guard against military conflict, having replenished the deplorable list of flash points on the territory of the former USSR.

Despite the fact that representatives of Chechnya did not take part in the roundtable and that the "Chechen topic" was not discussed specially in The Hague, this issue, which is agitating the whole world community, was not

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avoided either in the course of the sessions themselves or at the concluding news conference. The particular interest of those assembled was evoked in this plane by the report of President of Tatarstan Mintimer Shaymiyev. It was, after all, this republic that was able, following by no means simple negotiations with the center, to achieve the signing of a full-scale federative treaty that legalized the statehood of the Republic of Tatarstan in the bosom of another state—the Russian Federation. This version of the development of events would seem, of course, to be the sole reasonable alternative to any saber-rattling, not to mention a military conflict.

The well-known experts who took part in the sessions, including the American political scientist Donald Horowitz, and his Russian colleague Emil Pain, member of the Presidential Council of the Russian Federation, were unanimous that the process of the separation of powers between the center and components of the Federation should be pursued only by way of mutual agreement.

Does the relationship of Crimea and Ukraine fit this format? Considering that Ukraine is not a federative state. Speaking at the meeting in The Hague, Sergey Tsekov focused attention on the need for the establishment of a normal negotiating process between the two parties. It is his conviction that the fact of the existence of Crimean statehood is not sedition and is not contrary to the idea of the territorial integrity of the state of Ukraine. It is notable that even the speech at the session of the roundtable of Boris Oleynik, chairman of the Commission of the Ukrainian Parliament for International Affairs, put the emphasis on the urgency of a civilized dialogue between Ukraine and Crimea since world practice shows convincingly that power paths do not facilitate a strengthening of states' territorial integrity.

It has to be emphasized that the organizers of the roundtable in The Hague displayed the maximum diplomatic punctiliousness and tact, having invited all the participants in this activity as private persons. In addition, the results of the discussion were not reflected in any enacting or even recommendatory resolution.

The exchange of information on the state of affairs in different regions of the CIS was useful, I believe, both for the participants in the meeting and for its organizers and, of course, for Mr. Van der Stool, commissioner of the CSCE for national minorities, who took part in the roundtable as an observer.

It is obvious, however, that all problems of the so-called post- Soviet space may be resolved not in The Hague but whence the representatives of the formerly united country and now leaders of "states within states" came. S.P. Tsekov's meeting with O.O. Moroz, leader of the Ukrainian Parliament, which took place a day before the Crimean delegation's trip to Holland, was important in this respect.

National Affairs

Kuchma 'Sharply' Criticizes Anticrime Effort

WS3101141995 Kiev INTELNEWS in English 2024 GMT 30 Jan 95

[FBIS Transcribed Text] Kiev, Jan. 30—President Leonid Kuchma sharply criticized the government's war on crime and said at Monday's meeting of the Anti-Crime Coordinating Council that he plans to hold officials personally responsible for the success of the program.

"In the six months since I signed the anti-crime decree, the attack on the 'fifth power' has failed," said Kuchma. The President added that eighty-three percent of all crimes solved this year were petty individual crimes, not the crimes committed by organized groups that he intended to go after.

Mafia structures and smaller organized crime circles whose influence has permeated various levels of business and government is now regarded as an independent level of power in Ukraine. "The influence of the fifth power is growing in all spheres of society," Kuchma assessed. "Until we make fatal strikes against these elements, no one will believe in the serious nature of our fight with the Mafia," he said.

The president said First Deputy Prime Minister Yevhen Marchuk, Internal Affairs Minister Volodymyr Radchenko, Security Service head Volodymyr Malyekov, and General Procurator Vladislav Datsiuk would be each individually responsible for the success of the anti-crime program.

A council of Internal Affairs Ministry, Security Service, and State Customs Committee leaders will decide Tuesday on concrete steps in the war against crime. Both Marchuk and Kuchma emphasized the need for changes in personnel to implement the plan. A draft state anti-organized crime program will be completed in three days, according to Marchuk. "The program will be comprehensive and use a wide range of anti-crime methods," he said. The plan will be reviewed by both president and parliament.

Kuchma also outlined five new priorities in the fight against corruption and organized crime. He proposed setting up research centers to study the problem, a review of methods used in fighting organized crime, and the creation of a special investigation bureau at the General Prosecutor's Office. The president also demanded that regional investigations be increased. He suggested that officials from central government offices be sent out to supervise regional leaders, who, he implied, are prone to corruption.

Kuchma's priorities also included a thorough cleansing of law enforcement bodies of criminal elements and expansion of international cooperation in crime-fighting. "Ukraine has law enforcement cooperation

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agreements with 60 countries. But so far no agreement has been signed with Switzerland, a haven for illegally procured money from Ukraine," said Kuchma. "We must also have a detailed cooperation agreement with the countries of the Commonwealth of Independent States," he added.

The US$2 million confiscated from Ukraine's organized crime groups by officials is insignificant compared to the US$10 billion illegally deposited in foreign bank accounts, said Kuchma.

According to the National Bank of Ukraine [NBU], 94 trillion karbovanetses is being circulated unrecorded by banks—more than 40 percent of the officially circulated Ukrainian currency. "This means the NBU is unable to control the money market. This is especially dangerous on the eve of monetary reform. It can uproot any kind of stabilizing force," warned Kuchma.

In 1992, private exporters illegally exported one-fourth of their products. In 1994, 75 percent of their exports were illegal, said Kuchma. In 1992, only 10 percent of operations by state trading firms were illegal. In 1994, more than 50 percent were illegal, he reported.

Officially in 1993, Ukraine exported to the European Union [EU] goods worth US$624 million. But according to the EU, more than US$1 billion was exported from Ukraine to these states, said Kuchma. "The money we lost is equal to the money we received on our knees in the form of foreign credits last year," said Kuchma. "We must ask ourselves: who controls the financial streams in the state?" added Kuchma.

General Procurator Vladislav Datsiuk reported that criminal investigations have begun concerning the release of 200 Ukrainian state bonds beyond Ukrainian borders worth US$5 billion. "It is difficult to imagine the negative consequences if this is not stopped," said Kuchma.

"In our country the criminal mentality has achieved total control over the trade network. As a result, residents pay an additional 20 percent on goods and services," said Kuchma.

Privatization 'Exclusion List' Advocated

LD3101193495 Kiev UNIAN in Ukrainian 1615 GMT 31 Jan 95

[FBIS Translated Text] Kiev—The number of enterprises in the defense, oil refining, and bread baking industries that will not be subject to privatization totals 80, with the number of defense enterprises alone in Ukraine reaching 2,000, Oleh Taranov, the chairman of the Supreme Council of Ukraine Economic Policy and National Economy Management Committee, said in an interview with UNIAN today. Primarily, it is the arms manufacturers and some oil refineries that will not be privatized.

The parliamentary Left-wing at the second Supreme Council session proposed that a privatization exclusion list should extend to all businesses in those industries, and instructions for the Cabinet of Ministers to compile this list followed.

Taranov underlined the privatization exclusion list, to be under parliamentary consideration tentatively on 14-15 February, "is not something inviolable." There will be revisions and, "as appropriate," each enterprise will be given economic freedom.

He said: "The inclusion of enterprises in this list does not mean there can be no corporatization there. Without exception, I am in favor of all of them becoming joint-stock companies. The state, however, has to decide what proportion of their shares to control and to own. The government's privatization concept, in particular, envisages 30 percent of the shares in small and large enterprises is to remain in the hands of the state."

Taranov added the president was now preparing an edict forming a ministry for the management of the corporatization sector, which effectively means a transition from the sectoral to the functional form of management.

UNA Protests IMF Control of State Enterprises

AU3101213595 Kiev UKRAYINSKI OBRIYI in Ukrainian No. 1 (48) Jan 95 p 2

["Statement by Ukrainian Nationalist Assembly on Relations Between the Ukrainian Government and the International Monetary Fund"]

[FBIS Translated Text] According to reports from government sources, by 31 January the management of 15 major Ukrainian state enterprises that have been pronounced insolvent will have been transferred to the IMF. These include the Malyshev Plant, the Luhansk Diesel Locomotive Building Plant, and others.

With the transfer of the Ukrainian economy to the control of transnational financial structures, there will necessarily follow a transition of Ukraine's sociopolitical life to the control of alien political institutions.

In order to facilitate management and reduce expenditure, UNA [Ukrainian Nationalist Assembly] proposes that redundant parallel administration structures, such as Ukraine's Cabinet of Ministers, the president, and Supreme Council be abolished.

If the government does not need the economy, then we do not need the government. On the other hand, UNA declares that it will be able to build Ukraine's economy and take better care of the people than the IMF.

Conclusion: UNA is expressing its protest and trying to create a situation wherein the nation is able to choose between itself and the IMF.

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Kiev Overrules Crimean Hard Currency, Tax Decrees

MM3101154195 Moscow KOMSOMOLSKAYA PRAVDA in Russian 31 Jan 95 Delovoy Vtornik Section p 1

[Report by Eduard Dolya: "Simferopol: Hard Currency Forbidden in Crimea"]

[FBIS Translated Text] The economic miracle in Crimea has been postponed again. Ukrainian President Leonid Kuchma has revoked a number of Crimean government decrees. It turns out that all the cabinet of ministers decrees relating to hard currency regulation on the territory of the peninsula are among those that do not correspond to Ukrainian legislation, in the view of Kiev officials. The free circulation of foreign money and the sale of goods and services for foreign money are seen by Kiev politicians as a serious threat to the karbovanets.

The Crimean Government's efforts to regulate the tax on citizens' incomes, foiled by the same Kuchma edict, should, no doubt be seen as a threat to the entire Ukrainian budget.

The only survivor is the value-added tax, reduced to 20 percent by the Crimean Government. But it might not last long, since, for example all models of "GAZ" motor vehicles and toothbrushes of all hues are cheaper here than in Ukraine.

Crimea's Draft Cossack Law Draws Tatar Protests

MK3101141095 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 31 Jan 95 p 2

[Report by Vladimir Andronaki under the "Island of Crimea" rubric: "There Will Be an Asker [Crimean Fighter] for Each Cossack"]

[FBIS Translated Text] The plans by the autonomous republic's Supreme Soviet to consider a law on the Crimean Cossacks have drawn an extremely strong reaction from the "Adalet" ("Justice") nationalist party of Crimean Tatars. The organizing committee's statement says that "the artificial creation of this structure, alien to Crimean traditions, leaves no doubt as to certain politicians' hopes for support in yet another political conflict by using the Cossacks, or rather a group of persons without specific occupations, who are, by some accounts, armed not only with edged weapons." The organizing committee then made it clear that if its appeal is left unnoticed, the "Adalet" party "would have to take measures to set up detachments of traditional Crimean askers (fighters) to defend their families and their Crimean compatriots from the threat of the so-called Cossacks."

Observers assert that the idea of forming asker detachments has long circulated among Crimean Tatars, who were harassed by the republic's state authorities two or three years ago. The people, who had gone through a deportation, having no confidence in anyone and watching with horror the war in Chechnya, is striving to survive and preserve itself in the current harsh conditions. The Crimean Cossacks, seen as fairly bellicose by the same observers, have provoked not only the "Adalet" organizing committee's statement, but, possibly, a start to practical work. At any rate, Tatar volunteers who have left for Chechnya to help Dudayev will gain considerable military experience there. As for the acquisition of weapons, this is not a problem in the CIS' vast expanses nowadays.

The Crimean Tatars are not only searching for adequate ways to ensure their security, they are actually finding them. On 4 February, the first Slavic Congress of Crimea is due to take place in Simferopol. This is the initiative of the Russian Party of Crimea, the Russian Crimean Community, a Sevastopol organization named "Union—Prosperity in Unity," and other pro-Russian movements, which were not joined, of course, by Ukrainians, who are also Slavs. The congress will be held under the slogan of recreating a single Slavic state comprising Russia, Ukraine, and Belarus. But in practice, a whole range of radically minded societies and movements will try to join ranks in the struggle for power. The seriousness of their intentions was confirmed by the congress organizing committee's desire to follow in the Crimean Tatars' footsteps and to set up a representative body of people's self-government—the Crimean Duma, with chapters in all regions of the autonomous republic. If Ukrainian radicals in the peninsula venture to take the same move (which, as a matter of fact, was contemplated at the recent second Ukrainian Civil Congress of Crimea), one may guess how many semi-authoritative bodies will be pulling the reins of the state wagon. A Majlis, a Duma, a Rada... It seems that the Supreme Soviet's voice will be drowned in this hoopla.

An opinion poll conducted by the "Krymsotsis" polling service has shown that the Crimeans' sympathies are still divided between two ethnic poles—pro-Russian parties and Crimean Tatar movements. The poll also pointed out the communists' higher approval rating compared to others (which, again, was attributable to the Communist Party of Crimea's vociferous campaign for recreating the USSR and the fall in living standards under the republicans, who have failed to deliver on practically any pledge). So, there is a long way to go to put into practice the motto engraved on the emblem of the Republic of Crimea: "Prosperity in Unity." More than one opinion poll conducted in the past few months showed that over half of Crimean residents are absolutely unconcerned about politics. Not only are they unaware of the alignment of political forces on the autonomous republic's political scene, but they are deliberately ignoring all tricks to which parties and various political figures resort in the hope of attracting attention.

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In case of emergency, however, the masses can be inflamed. But then there will be an asker or something for every Cossack. The hungrier the opposing sides, the more bitter the tussle (or something more serious) between them. For this reason, the last question is to the point: Who is it (names, please, if possible) who is so skillfully and carefully keeping the Crimeans near starvation rations?..

Kuchma Signs Edicts on New Appointments

AU0102113095

[FBIS Editorial Report] Kiev URYADOVYY KURYER in Ukrainian on 28 January publishes on page 2 a series of "Ukrainian Presidential Edicts" on new appointments, signed by President Leonid Kuchma in Kiev on 25 January. The following is a summary of the edicts:

Viktor Ivanovych Bannykh has been appointed head of the State Committee for Issues of Defense of Ukraine's State Border; Volodymyr Ivanovych Bondarenko—first deputy minister of Ukraine's Fishery Industry; Volodymyr Heorhiyovych Tymoshchenkov—deputy minister of machine building, military-industrial complex, and conversion; and Oleksandr Yevstafovych Tymoshenko—deputy chairman of the State Property Fund.

UNA Delegaition's Visit to North Caucasus Detailed

AU3101192695 Kiev UKRAYINSKI OBRIYI in Ukrainian No. 1 (48) Jan 95 p 3

[Report by the Press Center of the Ukrainian Nationalist Assembly: "Everything Is Quiet in Baghdad"]

[FBIS Translated Text] Between 12 and 21 January, Ukraine's people's deputy Yuriy Tyma and a group of comrades who accompanied him made a trip through countries of the Northern Caucasus. The UNA [Ukrainian Nationalist Assembly] delegation visited the Stavropol region, Dagestan, Kabardino—Balkaria, North Ossetia, and Ingushetia. The envoys studied the possibility of delivering humanitarian aid to the Chechen people, who are suffering from Russian aggression, and also the general situation in the Caucasus and in adjacent regions. As Yuriy [Tyma] pointed out after his return home, almost all nations of the Northern Caucasus support the struggle of the Chechen people and, despite the mercenary nature of their governments, are ready actively to help Chechnya against the aggressor. However, Moscow's purpose-oriented imperial policy does bear fruit. The conflict between the Ossetians and the Ingush, artificially stirred up by the Russians, continues. There are facts of Russian "peacekeepers" capturing the Ingush and selling them to the Ossetians. In Ingushetia itself, there presently are 120,000 refugees—60,000 from North Ossetia and another 60,000 from Chechnya. However, there, too, the refugees' life is far from being calm. Recently, Russian aircraft bombed the Ingush villages of Gazy-Yurt and Arshtyn. There are casualties—people were killed and wounded.

In Dagestan, the situation is also far from simple. In Khasavyurt Rayon alone, there are 20,000 refugees. Winter supplies of food have already been depleted, and famine is approaching. Local Chechens-Akyns have already completed forming units of home guards and started their guerrilla war. They are actively supported by Avarians and Kumyks. Despite the demonstrative intimidation of the Caucasian nations by unmotivated military terror, the guerrilla war in the Caucasus is gradually becoming a reality.

Soon, snow will start thawing in the mountains, and passes will be opened. Just wait and see what happens then!

USSR Restoration Campaign 'Picking Up Steam' in Lvov

LD0102105095 Moscow ITAR-TASS in English 1024 GMT 1 Feb 95

[By ITAR-TASS correspondent Galina Nekrasova]

[FBIS Transcribed Text] Lvov February 1 TASS—The collection of signatures to restore the Soviet Union started not only in eastern but also in western regions of Ukraine.

However, while its sponsors in the Donetsk, Lugansk and Kharkov regions collect signatures to hold a nationwide referendum on this issue, sponsors in the Lvov region are more outspoken.

They ask point blank: are you for restoring the Soviet Union and for denouncing the Belovezhskoye agreement? (eds: Belovezhskoye agreement was reached by the heads of the Russian, Ukrainian and Belorussian republics who announced at their meeting in the Belovezhskaya Forest that the Soviet Union did not exist any more).

The collection conducted in the region is nothing but a provocation against Lvov communists, Aleksandr Golub, communist leader in the Lvov region, told ITAR-TASS here on Wednesday [1 February].

The Central Committee of the Ukrainian Communist Party took a decision on the eve of the New Year to start preparations for a referendum. However, Lvov communists claim that it is not time now to think about the restoration of the Soviet Union because of the events in Chechnya.

Lvov socialists and members of the Agrarian party also disassociate themselves from those who collect signatures. However, the process in the region is picking up steam.

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Commission Chairman Urges Nuclear Energy 'Concept'

LD3101181795 Kiev UNIAN in Ukrainian 1345 GMT 31 Jan 95

[FBIS Translated Text] Kiev—The Supreme Council Commission for Issues of Nuclear Policy and Nuclear Safety will insist that the government work out a concept for atomic energy for the next 20 years, which should envisage the creation of new and modernized atomic reactors, chairman of the commission Mykhaylo Pavlovskyy said at a briefing for journalists on 31 January.

He said that in order to obtain energy, Ukraine today did not have any other choice but to utilize its functioning nuclear power stations that produce 50 percent of electric power. Pavlovskyy said that Ukraine had all the possibilities to create its own nuclear fuel cycle since it possessed uranium reserves and zirconium reserves for another 150 years at a time when other countries' resources would be exhausted in 20-30 years.

The chairman of the commission stressed that he had information to the effect that Western countries thought it expedient to encourage the former USSR countries to make large budgetary expenditures to close down their nuclear power stations so that they would build new European type reactors in the future.

Pavlovskyy believes that when the talk is of the necessity of further exploiting Ukraine's nuclear power stations, the psychosis of 1986 is sometimes repeated through the mass media.

He stressed the importance of adopting the Ukrainian law "On exploiting nuclear energy and radiation safety," in its second reading. This would enable Ukraine to accede to the Vienna Convention, one of whose points envisages the payment of compensation in the event of nuclear incidents. The law also contains articles on the rights of citizens and public organizations in the area of nuclear energy exploitation, the jurisdiction of all branches of power in this sphere and the procedure for decommissioning nuclear power stations.

IAEA Recommends Safety Improvements at Nuclear Plant

LD3101183195 Kiev UNIAN in Ukrainian 1345 GMT 31 Jan 95

[FBIS Translated Text] Kiev—IAEA experts, who studied work at the South Ukrainian nuclear power station aimed at preventing incidents (the ASSET mission) in January, have insistently recommended that the relevant Ukrainian bodies ensure the flow of funds, needed to increase the generating sets' safety, to the station, and that the station's management continues to counteract the loss of personnel. UNIAN learned this at the Ukrainian State Committee for the Use of Nuclear Power on 31 January, where the preliminary results of the work of the IAEA experts have just been received.

The experts observed that electric energy consumers had become indebted to the nuclear power station by $44 million which threatens the timely implementation of plans to increase safety.

Having analyzed the nuclear power station's work over five years, the IAEA experts noted that there had been a reduction in stoppages of generating sets recently, that radioactive emissions had always been within the norm and that exposure of the staff to radiation had not exceeded the established limits. Of the 178 incidents, which occured at the nuclear power station in this time, 98 were deemed to be important from the safety aspect, or no more than six at each reactor. Forty-three per cent of defects affecting safety were discovered at the South Ukrainian nuclear power station in good time.

The conclusion of the group of IAEA experts coincides with the stance of the Ukrainian State Committee for Nuclear and Radiation Safety: a fairly efficient system for preventing incidents is used at the station. The IAEA experts also made recommendations with regard to strengthening the levels of protection of the generating sets with the aim of preventing incidents.

Miners Demand December Wages, Threaten Strike

AU0102142195 Kiev HOLOS UKRAYINY in Ukrainian 31 Jan 95 p 1

[Unattributed report: "A Pre-Strike Situation"]

[FBIS Translated Text] "At present, there is a pre-strike situation in Ukraine's coal mines," stated in an interview to an INTERFAX-UKRAYINA correspondent Oleksandr Poshtuk, Ukraine's deputy minister of coal industry.

"We will not be able to prevent miners from mass strikes unless we manage to pay them their December wages by 1 February," he said.

According to the deputy minister, "unrest" has been noted at six mines of the branch.

Miners are advancing a single demand—the payment of December wages, he said. O. Poshtuk said that the total amount of debts to miners stands presently at 17 trillion karbovantsi.

At the same time, according to him, over the last month, Ukraine's coal enterprises have increased coal production.

O. Poshtuk said that, on 26 January, 278,500 metric tons of coal was extracted (in November 1994, the average daily yield was 225,000 metric tons).

"If the question of wages and material supply could be resolved, the branch would extract even more coal. The miners want to work, but not for free," he stressed.

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Economic Issues

Kuchma Signs Decree Covering Regulation on Bartering

LD3101212695 Kiev UNIAN in Ukrainian 1900 GMT 31 Jan 95

[FBIS Translated Excerpt] Kiev—Ukrainian President Leonid Kuchma has signed the decree "On the Regulation of Barter (Goods Exchange) Operations in the Sphere of External Economic Activity."

Under the decree, those in Ukraine engaging in external economic activity, in undertaking barter (goods exchange) operations are to pay an advance import deposit [vidkryty poperedni importni depozyty] to an authorized Ukrainian bank in accordance with Article No. 19 of the law of Ukraine "On External Economic Activity," for the duration of a barter operation.

The payment of an advance import deposit is to be made no later than three working days after a barter agreement takes effect, and this deposit is to be returned to those in Ukraine engaging in external economic activity (those from abroad engaging in economic activity) who paid this advance deposit, within three banking days after the date on which a copy of the customs declaration that confirms the receipt of imports in full, was presented to a respective authorized Ukrainian bank.

The sum of an advance import deposit is calculated as a percentage of the total value of the goods that are exported under a barter agreement, and is, as follows: 50 percent if, under a barter agreement, highly competitive Ukrainian-made goods are exported and noncritical-import goods are imported to Ukraine; 10 percent if, under a barter agreement, highly competitive Ukrainian-made goods (except for agricultural produce and its highly competitive derivatives) are exported and critical-import goods are imported to Ukraine; and five percent if, under a barter agreement, highly competitive agricultural produce and its highly competitive derivatives are exported and critical-import goods are imported to Ukraine.

The Ministry of External Economic Relations of Ukraine is to make a list of highly competitive Ukrainian-made exports, highly competitive agricultural produce and its highly competitive derivatives, and a list of critical imports to Ukraine, in accordance with the external economic activity goods register.

The National Bank of Ukraine in coordination with the Ministry of External Economic Relations of Ukraine and the Finance Ministry of Ukraine have been instructed to provide for the details of and approve, by 20 February of 1995, procedures to be applied to the conduct of operations involving advance import deposits and their return (including cases of the non-performance of a barter agreement).

The Ministry of External Economic Relations of Ukraine has been instructed to make and publish in URYADOVYY KURYER by 20 February of 1995 a list of critical imports and highly competitive exports in accordance with Article No. 6 of this decree.

[passage omitted]

Enactment Listing State Enterprises To Be Privatized Issued

WS3101141795 Kiev INTELNEWS in English 2024 GMT 30 Jan 95

[FBIS Transcribed Text] The Cabinet of Ministers has not yet released the final list of enterprises that will be excluded from the privatization program, but in mid-January, the Cabinet did issue an enactment listing the state owned enterprises that are priorities for privatization and attraction for foreign investment. The legal department of parliament this week provides IntelNews with the text of this enactment and its supplemental list.

The Cabinet of Ministers of Ukraine, by Enactment No. 32 of Jan. 17, 1995 enacts the following:

1. To adopt the attached list of enterprises which should be expediently privatized with a view to foreign investment.

2. That the State Property Fund of Ukraine shall by April 1, 1995 make a decision on the details of privatizing said enterprises. Attraction of foreign investment shall be carried out on a competitive basis through the sale of shares in open joint stock companies.

3. By August 1, 1995, a list of state properties to be privatized and open to foreign investment shall be submitted to the Ministry of Economics by Ukraine's ministries and administrations, the Government of the Autonomous Republic of Crimea, oblast council executive committees, Sevastopol's city council executive committee, and Kiev's state administration. Lists submitted shall be in the form set out by Instructions No. 825 issued by the Cabinet of Ministers on Dec. 15, 1992.

The Ministry of Economics, Ministry of Statistics, the State Anti-Monopoly Committee, and the State Property Fund in cooperation with the Finance Ministry shall review the submitted proposals and submit by Dec. 1, 1995 a draft resolution on the matter to the Cabinet of Ministers.

Attached list of state owned enterprises recommended for privatization and foreign investment:

1. Volyn Oblast: "Osnastka" Production Association, Kovel Starch Plant

2. Dnipropetrovsk Oblast: Kryviy Rih Cement and Mining Integrated Works

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3. Zhytomyr Oblast: "Spetslismash" Plant, Berdytchiv Machine- Tool Plant

4. Zakarpatska Oblast: Uzhorod Food Canning Factory

5. Kirovohrad Oblast: Kirovohrad Automated Dispenser Machines

6. Poltava Oblast: Orichiv Sugar Refinery, Poltava Medical Glass Plant

7. Chernihiv: "Prylukm-myasokombinat" Rental Enterprise

8. Kherson Oblast: Meat Processing and Packing Factory

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Kazakhstan

President Nazarbayev Declines ICO Membership

LD0102115695 Moscow ITAR-TASS World Service in Russian 0024 GMT 1 Feb 95

[By ITAR-TASS correspondents Konstantin Pribytkov and Viktor Khrekov]

[FBIS Translated Text] Davos, Switzerland, 1 Feb—"Neither Pan-Turkism nor Pan-Islamism can be accepted by Kazakhstan. We've made a completely different choice," Kazakh President Nursultan Nazarbayev announced.

In an interview with ITAR-TASS correspondents, Nazarbayev said that the republic has been invited to join the Organization of the Islamic Conference [ICO]. However, so far Almaty has decided to send an observer there since it regards the ICO as too politicized of an organization. "We can see that they are engaged more in politics than in economics," the president said, adding that the republic aims to cooperate with those institutions including banking which could grant investments.

"However, we can't agree to being told: you as an ICO member should carry out Islamic policy," the head of state concluded.

Foreign Minister, U.S. Ambassador on Recent Talks

LD0102105995 Almaty Kazakh Radio Network in Kazakh 0200 GMT 1 Feb 95

[FBIS Translated Text] On 31 January, Foreign Minister Qasymzhomart Toqayev met William Courtney, U.S. ambassador extraordinary and plenipotentiary to Kazakhstan. They discussed the results of the foreign minister's recent visit to the United States. Both sides highly assessed the talks and agreements reached. It was noted that Washington and Almaty were paying special attention to the development of cooperation between the U.S. and Kazakhstan. Views were exchanged on a number of issues concerning the forthcoming visit of the Kazakh Prime Minister Akezhan Qazhyegeldin to the U.S., which is due in March, and the preparation of the second session of American-Kazakhstan joint committee. The foreign minister and the ambassador expressed satisfaction with the arrangement of the two countries foreign ministers' meetings.

Coal Miners Return To Work After Getting Paid

LD0102090195 Almaty Kazakh Radio Network in Russian 0900 GMT 31 Jan 95

[FBIS Translated Text] The long-awaited wages began being paid out at mines in the Karaganda coalfields yesterday. As will be recalled, arrears amounting to several months pay provoked a strike by the miners. True, the money for the final months of the last year is to be paid out in part.

The government and the strikers have reached no agreement on other points of the miners' demands. Nevertheless, the miners in Shakhtinskiy yesterday decided to resume full production operations.

Kyrgyzstan

Akayev Gives News Conference on Elections Eve

LD3101194095 Moscow Mayak Radio Network in Russian 0730 GMT 31 Jan 95

[FBIS Translated Text] On the eve of the elections to the new Supreme Council, Kyrgyzstan's President Askar Akayev held a live news conference on republican television, replying to numerous questions from journalists and TV viewers. Aleksandr Mirtov, our correspondent in Bishkek, reports.

[Mirtov] Most questions concerned the most diverse aspects of the elections to Kyrgyzstan's new Supreme Council that are due to be held on 5 February. Alongside this event, the slump in the economy and the impoverishment of the people remain topical problems in the republic. Touching on these issues, Askar Akayev noted that this year the trend toward halting the decline in the level of industrial and agricultural production must be halted. In the view of Kyrgyzstan's president containing inflation and strengthening the national currency, the som, are the key features here.

[Begin Akayev recording] I want to say that, thanks to the single-minded activity of our government and our National Bank 30 percent of the National Bank's assets are backed by the gold reserve. For this reason we are firmly confident that in 1995 we will be able to hold the exchange rate of our currency, the som, at a level somewhere in the region of one to 11 [one dollar to eleven soms], that is to say, to consolidate the stability of the exchange rate of our currency. [end recording]

[Mirtov] The absence of legislative acts on work, wages arrears, and the low standard of living of the main bulk of the population are also sore points in the republic's economy today. True, by the day of the celebration of the 50th anniversary of victory in the Great Patriotic War a number of benefits for the disabled and veterans will be introduced in Kyrgyzstan. Already from the beginning of this year recalculation of pensions and benefits will start with a view to increasing them.

[Begin Akayev recording] Our main task is to raise the living standard of the main section of the people, and it is for this purpose that we are carrying out a socially orientated economic reform, hoping that in 1995 our government will be able to organize the payment in good time of pensions, benefits, and wages. [end recording]

Interior Minister Asks Cossacks To Combat Drugs

LD0102091395 Bishkek Kyrgyz Radio First Program Network in Russian 1400 GMT 31 Jan 95

[FBIS Editorial Report] Kyrgyz Interior Minister Modalbek Moldashev asked Russian Cossacks to form

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cavalry units to help combat drug trafficking. Speaking at a meeting of Cossacks in Kyrgyzstan, Moldashev said the troopers could patrol the Chuy and Talas valleys during the season when the hemp plants, source of the narcotic cannabis, are maturing.

The Cossacks took an "understanding" attitude to the minister's request. But the leader of one of their units said the Kyrgyz Government would first need to make their participation in policing official.

"Only recently the sight of a figure decked out in Cossack military uniform, who carried our imagination back to the days of Tsarist Russia, made most of us smile."

"Today the republic's Cossacks, who are united into a single, legal organization....have become a significant public force. The fact that the head of one of the main departments in the republic has visited the Cossack forum is evidence of this."

Trade Agreement Signed With Austria

LD0102091095 Bishkek Kyrgyz Radio First Program Network in Russian 1200 GMT 31 Jan 95

[FBIS Translated Text] The Kyrgyz State Committee for the Economy reports that an accord was signed on 30 January in Vienna on bilateral economic relations between Kyrgyzstan and Austria.

Unlike two agreements of this kind, it envisages—in addition to establishing most-favored-nation status for trade—the formation of a bilateral economic commission, the organization of joint venture production units, support for small- and medium-sized enterprises, the provision of know-how, and assistance in the spheres of funding and personnel training. In addition, the agreement also stipulates measures to protect producers in our republic.

The delegation to Vienna was led by Koichumanov, member of the Presidium of Kyrgyz government and chairman of the State Committee for Investment.

UN Provides Funds for Media Support Programs

LD3101095995 Osh OSH SADOSI in Uzbek 21 Jan 95 p 2

[FBIS Translated Text] In spite of superstition, 13 January has become a very happy day for Kyrgyz journalists. It was on this day that an agreement was signed on support for the republic's media by the United Nations Development Program [UNDP] and UNESCO at the UNDP office. The project, entitled "The Media in the Transition Period," is planned to take place over two years. It is estimated to cost $759,000. The money will be allocated by the United Nation's three specialist organizations: UNDP, UNESCO, and the United Nations Population Fund.

Martin Hadlow, UNESCO's regional director in Central Asia, will manage the project.

The agreement was signed by Deputy Prime Minister Osmonakun Ibraimov, for Kyrgyzstan, and by Ercan Murat, the UNDP permanent representative in Kyrgyzstan, for the UNDP and UNESCO.

Martin Hadlow and others answered journalists' questions. They talked about the aims and objectives of the project and the backing for it. According to Hadlow, the project is a unique one which is unprecedented in our region. The aim of the project is to assess impartially developments taking place in Kyrgyzstan, to cover the socioeconomic and political change more completely, and to increase the quality, diversity, and volume of information that is transmitted. In addition, the project is intended to expand the useful meetings and cooperation which have been held between journalists and businessmen, government and nongovernmental organizations, parties, and movements.

Training for media, radio, and television workers, and various seminars and courses including foreign language study, and the formation of media clubs and other professional centers will be carried out within the framework of the project. The project will allow the Kyrgyzkabar television and radio company and the national news agencies to improve the quality of their work. At the same time the independent media—newspapers, television and radio companies and agencies, regardless of their form of ownership—will receive assistance from this organization.

Within the framework of the project a UNDP international media center has already opened and started work in the building of the Lenin National Library.

Tajikistan

Opposition Groups Reach Accords With Moscow

LD0102110895 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 1 Feb 95

[FBIS Translated Text] Tajik opposition representatives negotiated with Russian political and military authorities in Moscow. The opposition delegation consisted of Davlat Usmon, deputy leader of the Islamic Rebirth Movement of Tajikistan; Abdunabi Sattorzoda, chairman of the Democratic Party of Tajikistan; Otakhon Latifi, former deputy chairman of the Supreme Council of Tajikistan; and Khudoyberdi Haqnazarzoda, from the Coordinating Center for the Democratic Forces of Tajikistan in the CIS.

According to preliminary reports, this group succeeded in achieving a number of useful agreements with Russian authorities regarding the future of national reconciliation in Tajikistan.

Commentary Attacks Russian, Uzbek Role in Tajikistan

LD3101190595 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 31 Jan 95

[Commentary by Farhod-i Mumin]

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[FBIS Translated Text] Russia, which claims superpower status in the world, yet has proved in the war in Chechnya that its army is not capable of waging war and is not fit to do the job, created the same deadly scenes in Tajikistan three years ago. At that time an egocentric Communist regime consisting of [words indistinct] criminals came to power in Tajikistan supported by the so-called democratic Russia. The regime has remained in power until now by relying on the Russian Armed Forces, and has always delayed the course of the national reconciliation.

Neighboring Uzbekistan is the other party to the tense situation in the region. This is the subject of number of commentaries by my colleague, Farhod-i Mumin. You will now hear the first part.

[Begin Farhod-i Mumin recording] Since the communist forces of Tajikistan, which enjoy 100 percent support from Russia and Uzbekistan, came to power, Russia has gradually limited the role of Uzbekistan, its possible rival in the region, and has dispatched extra forces to our country. At first Uzbekistan did not understand what Russia was doing. [Words indistinct] every day, military helicopters flew to different areas of Tajikistan and brought in soldiers.

Suddenly, it [Uzbekistan] realized that there were 25,000 Russian armed soldiers facing it. When Rakhmanov and his government were still giddy with their position and the high office that they would never even have dreamed of, a severe struggle began between Tashkent and Moscow to acquire power and geopolitical interest in Tajikistan, a struggle that still continues.

Russia and Uzbekistan, who had backed the (?communists) in Tajikistan in order to, as they put it, wage war against Islamic fundamentalists, no longer had a cause to unify them and direct them toward the same goal once the communist government of Rakhmanov declared its independence. Now each of them follows its own path and pursues its own goals, although the consequences of both of them mean one and the same thing to our oppressed people—tragedy.

Russia has claimed Tajikistan as its colony since the 19th century, and under no circumstances does it allow anyone to dominate it. In addition, the large deposits of high-grade Uranium in Tajikistan, something envied by every superpower in the world, has made Russia so greedy that it will do anything to prevent any influence being exercised by other countries there, no matter how small that influence might be, let alone that of Uzbekistan, which does not have the strength to oppose Russia.

This, is of course, the way Moscow views the situation. But Karimov's regime, which has dispersed the liberal forces of his country and is consolidating its dictatorial government, claims superpower status in Central Asia and views today's masterless Tajikistan with the same eyes.

And one thing must not be forgotten, which is that Uzbekistan had a larger share than Russia in creating confrontations between the Tajiks and provoking this country's ethnic groups against the country and, ultimately, bringing Tajikistan to war and bloodshed.

As is known, Russia was initially satisfied with the acts of violence against (?the communist governments) of Makhkamov and Nabiyev in Tajikistan and the gradual consolidation of the opposition forces, which were called democratic. But later, when it realized that a force was entering the arena that could defend its own independence against all kinds of bullies, it changed its tune. In a short time all its generals—who are enamored of money and drink—entered the fray in Tajikistan on behalf of the so-called Popular Front of Sangak as fighters against the seekers of freedom.

It made no difference to Russia—that had completely defeated the communist regime and did not feel threatened by it, and which was on occasion seen as a reformist country by the West—what force came to power in Tajikistan so long as this power obeyed Moscow's orders and refrained from taking up the call for independence.

But from the very beginning, the Tashkent regime took a pessimistic approach to the Tajik opposition. Tashkent television always cooperated with Sangak's front. It recorded the decapitations and burning down of houses that this front committed in Kurgan Tyube, broadcast this in Tashkent, and laid the blame for all these acts of brutality on the freedom-seeking forces in the government, in other words the supporters of the government of national reconciliation.

In every speech he made, Karimov stressed: Look at what the Islamists have done in Tajikistan. He derided the demonstrations and rallies held in Tajikistan in words that were far from the norms of diplomatic behavior. He blamed the adversities on the popular forces. He continuously warned Yeltsin to take a more serious view of events in Tajikistan. Karimov kept saying that it [Russia] should not be so unheeding, since Islamic fundamentalists will spread the war all the way to the Kremlin.

Tashkent Television repeatedly called on Uzbek-speaking residents of Tajikistan to revolt against the government of national reconciliation in this country and to join Sangak. [end recording]

Former Democratic Party Chairman Seeks Pardon, Return

LD3101162695 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 31 Jan 95

[FBIS Translated Text] Shodmon Yusuf, former chairman of the Democratic Party of Tajikistan, pointed out that he approves the election of the president in the Republic of Tajikistan.

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Speaking on BBC Radio yesterday, Shodmon Yusuf pointed out that he is ready to return to Dushanbe if [the Tajik Government] pardons him and suspends his criminal case. He also said that he is going to take part in the elections to the Supreme Assembly.

Shodmon Yusuf also pointed out that his party wants close cooperation with the Dushanbe regime. However, according to Dustmuhammad-e Dust, an official of the Tajik Democratic Party, the real members of this party will never cooperate with the present regime. He accused Shodmon Yusuf of running for position, and added that Shodmon Yusuf might return to Dushanbe if his pardon is accepted. However, Yusuf does not want to remember that hundreds of members of this party are still in prisons or are living away from the country waiting for the victory.

Differences Between Leaders of Armed Opposition Noted

LD3101151295 Dushanbe Radio Tajikistan Network in Tajik 1100 GMT 31 Jan 95

[FBIS Translated Text] Contradictions and differences are being observed between the leaders of the armed opposition groups who have different positions and opinions on the resolution of the inter-Tajik conflict. These contradictions and differences are becoming more and more tense. For instance, the leaders of the spiritual groups who have chosen a relatively constructive position recently, met with Salom Muhabbatov and Abdurashid, the leaders of the armed groups of Vanj and Yazghulom, on 26-27 January. They discussed the holding of a meeting of commanders of the Gorno-Badakhshan with Rizvon [Sadirov], the so-called commander of the armed forces of the Islamic Rebirth Movement of Tajikistan, alleging that these groups are subordinate to him.

Rejecting the opinion that continuation of the armed confrontation and [words indistinct] is senseless, Salom Muhabbatov and Abdurashid expressed the opinion that the Vanj and Yazghulom armed groups will not take part in any talks without the permission of Sayed Abdullo Nuri. They also said that the present internal situation in the Islamic Rebirth Movement and the dragging out of the inter-Tajik conflict are causes for concern by the leaders of some neighboring Islamic countries, in particular the Islamic Republic of Iran, the Islamic State of Afghanistan, and the Islamic Republic of Pakistan. Putting pressure on Rizvon, who is practically out of the control of the opposition leaders, these countries want him to be totally under the control of Sayed Abdullo Nuri, otherwise these countries will not provide material, technical, or financial assistance to Rizvon and his supporters, and the leadership of the Islamic State of Afghanistan will take all measures to expel Rizvon's military forces from Afghanistan's Badakhshan Province to Tajikistan's Badakhshan Region.

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Armenia

'International Response' to Dashnak Party Ban

MM0102111995 Moscow ROSSIYSKIYE VESTI in Russian 1 Feb 95 p 3

[Report by Valeriy Aydinyan under the "Conflict" rubric: "Dashnaks Banned"]

[FBIS Translated Text] Yerevan—The Armenian president's edict and the subsequent Supreme Court ruling on the suspension of the activity of the "Dashnaktsutyun" Armenian revolutionary federation for a period of six months have provoked an international response. The press reports that 11 deputies of the Russian Federation State Duma have circulated a statement expressing alarm over the fact that the largest and most pro-Russian opposition party has been removed from the political arena. The deputies consider that the president's edict violates international norms.

In Yerevan U.S. Ambassador Harry Gilmore has held a conversation with leaders of the Dashnak party. Embassy staffers have held meetings with representatives of other opposition forces and with local lawyers, who have been asked to give their own assessments of the proceedings held in the Supreme Court Collegium. The U.S. Department of State has issued a statement saying that the suspension of the activity of the largest political party and the closure of its newspapers contravene the principles of democracy and free speech. This is especially important, since parliamentary elections are to be held in Armenia in May. The Department of State has called on the country's leadership and the leaders of "Dashnaktsutyun" to begin talks immediately so that the Dashnaks' lawful political activity, including the publication of newspapers, may be permitted.

A wave of protest actions has swept through Armenian communities abroad. According to some reports, the Armenian ambassadors to Lebanon and Iran have returned to their homeland. The Dashnak party's standing is especially strong among Armenians leaving in those countries.

A rally of opposition forces has been held in Yerevan; several thousand people gathered despite the frost. Speakers stated that they would struggle for a review of the court ruling by all legal means at their disposal.

The measures adopted against this party have provoked a positive reaction in Turkey. Turkish television and the major newspapers are giving wide coverage to the Armenian president's television address and the results of the judicial hearing.

Transport Minister on Movement of Goods to Georgia

NC3101144395 Yerevan SNARK in English 0819 GMT 31 Jan 95

[FBIS Transcribed Text] Yerevan, January 31 (SNARK)—In a course of the last year 15 major and 20 minor explosions took place on the territory of Georgia. Reporting these data, the Minister of Transportation of Armenia Henrik Kochinyan said that goods traffic from Armenia by the territory of Georgia is still problematic.

At present only 2-3 goods trains arrive from cargo harbors Poti and Batumi in Armenia daily, though Armenia is able to receive 6 trains a day.

Currently movement of passenger trains from Yerevan to Tbilisi have been stopped because of irregular energy supply of the Georgian railway. According to the minister, movement of trains will restart only in spring.

Delegation Praises Karabakh for Backing Cease-Fire

NC0102115595 Yerevan SNARK in English 1217 GMT 31 Jan 95

[FBIS Transcribed Text] Stepanakert, January 31 (SNARK)—Strengthening of cease-fire in Karabakh conflict zone is one of the key problems, discussed by OSCE [Organization for Security and Cooperation in Europe] during its former meetings with leadership of Azerbaijan, Armenia and Nagorno-Karabakh. A representative of co-chairman of OSCE Minsk conference Anders Bjorner told journalists about it today at the press conference in Stepanakert. Anders Bjorner and his Russian colleague Vladimir Kazimirov are heading this mission. Swedish diplomat expressed his satisfaction with the fact that NKR [Nagorno-Karabakh Republic] authorities support the strengthening of cease-fire regime.

As Anders Bjorner mentioned, OSCE hopes that in the nearest future it will manage to sent small group of their representatives to the region, as well as to do their best to strengthen trust between conflicting sides. According to him, if Baku, Yerevan and Stepanakert come to agreement on these problems, this will be a big step foreword in the case of cease-fire regime strengthening.

In his turn, Vladimir Kazimirov, who also participated at the press conference, said that it is important to establish contact between conflicting parties. This will allow to keep armistice and to settle problems more successfully and to overcome different obstacles in peace-keeping process.

Answering the question if presence of Turkish military contingent in a conflict zone is possible (NKR is against it), Kazimirov said that according to adopted principles, international peace-keeping forces are formed in conformity with decision of conflicting parties.

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Azerbaijan

Vice Premier Abbasov on Russian Ties, Reform

MM3101145395 Moscow ROSSIYSKAYA GAZETA in Russian 28 Jan 95 First Edition p 11

[Interview with Abbas Abbasov, Vice Premier of Government of Azerbaijan, by Aleksandr Shinkin; place and

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date not given: "Independence Is a Choice of Dependence. The 'Contract of the Century' Has Caused Uproar in the Newspapers but No Contradictions in Interstate Relations, According to Abbas Abbasov, Vice Premier of the Government of Azerbaijan"—from the Economic Union section]

[FBIS Translated Text] [Shinkin] Abbas Aydynovich, what is the economic situation in the republic like? As I recall, the forecasts at the start of last year were optimistic.

[Abbasov] Forecasts nowadays are unfortunately unreliable things. Too often life changes them. For example, production is continuing to decline in our country. Many enterprises are working to one-quarter of their capacity. This applies to the timber processing, chemical, and petrochemical industries, machine building, and the construction materials industry in particular. Even the production of wine and spirits, a traditionally prosperous sector, has succumbed to the slump in production this time.

But let us ask ourselves this question: Could the economic situation have been any different here? Then we must note that this is the fifth year now that our economy has been in a state of emergency. First, the Karabakh conflict made it necessary to gear the entire operation of the economy to the needs of defense. Second, 20 percent of the republic's territory was occupied, regions with the most highly developed agriculture, furthermore. Third, Azerbaijan is a country with 1,200,000 refugees in it. That is why we are only able to resolve the urgent problems of the population's food supply.

The situation is being aggravated to the limit by the breakdown in the traditional economic ties with the CIS states. And recently by the fact that freight has not been reaching Azerbaijan via Russia.

[Shinkin] But is that the only problem? Specialists note that the implementation of economic reforms and the formation of market relations have hardly begun in the republic.

[Abbasov] That is not quite right. Yes, we have been slow in implementing reforms. Essentially they began a little over a year ago—with the election of Gaydar Aliyev as president. Since then the process of reforms in Azerbaijan has been making progress, albeit slowly. We have privatized housing and consumer goods and services enterprises. The denationalization of enterprises in other sectors has begun too.

However, the pace of the Russian reforms should not be applied to Azerbaijan or other CIS countries. Russia is streets ahead in this respect. But each country has its own characteristics. Russia's experience teaches us that those characteristics must be taken into account. That is why we opted to implement the reforms gradually. We are beginning by creating the legislative basis. Otherwise we will sink into arbitrariness and chaos.

[Shinkin] But will this not entail a further destabilization of the situation in the republic? For example, Rasul Kuliyev, the speaker of your parliament, said recently that even in ideal conditions if you began reforming the economy right now it would be impossible to halt the slump in production in the next six months. And that a real return on the reforms and the oil contract might not appear before summer this year at the earliest.

[Abbasov] The continued fall in the population's living standard of course is not helping to strengthen the position of the country's government. There are forces which are hungry for power. An investigation has turned up irrefutable facts on the involvement of top officials in the republic in a plot. And even though 119 people have been arrested in this case those directing the coup are on the run. The lower echelons have remained in place locally, hence our speaker's anxiety is natural and understandable.

[Shinkin] How are relations between the official authorities and the opposition shaping up?

[Abbasov] Statements by opposition leaders are to a considerable extent pushing the situation toward political confrontation, sometimes civil confrontation too. But the president and the government are still looking for compromise with the opposition. A republic-wide forum was held in our country recently. Representatives of virtually all the opposition political parties and movements, including those who are not loyal to the present authorities, were invited to attend. At that forum, it seemed to me, Geydar Aliyev spelled the situation out for them. He stated that he sees no disagreements in principle between the fundamentals of the policy being pursued by the state and the programs proclaimed by the opposition parties. In his view, this is a basis for mutual constructive cooperation. Any confrontation means just one thing—a desire to achieve power at any price. In the president's opinion there is only one civilized method of doing this—democratic parliamentary elections.

[Shinkin] Recently there has been talk about a certain cooling of relations between Azerbaijan and Russia. This is being directly linked to Azerbaijan's signing of an oil contract with some major companies for the joint exploration of fields on the Caspian shelf.

[Abbasov] In fact the present Azerbaijan leadership favors close, mutually beneficial cooperation with Russia. And it is doing everything possible to that end. The "contract of the century," as the press has dubbed the agreement on the development of oil extraction on the Caspian shelf, only caused an uproar in the mass media, it did not cause contradictions in relations between our states. At least, the latest meeting between Gaydar Aliyev and Boris Yeltsin put an end to all the innuendo.

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[Shinkin] Nevertheless, Abbas Aydynovich, Azerbaijan has chosen to give 5 percent of its share of the contract to Iran.

[Abbasov] But how can that cloud cooperation with Russia? Iran is our neighbor too. What is more, it has pledged to underwrite for us a proportion of the capital investments needed to implement the contract because the republic simply does not have resources like that today. We are ready for cooperation with other countries as well.

[Shinkin] Do you see prospects for the republic's participation in CIS affairs?

[Abbasov] Our young state with its unique geopolitical situation cannot survive without the restoration of political, military, and economic relations with the republics of the former Union. This is both historically necessary and historically true.

I have already expressed the idea that independence means a choice of dependence. It seems to me that many CIS countries grew tired of the cheap political game of "independence from Russia" and had defined the optimum facets of their interdependence by the beginning of the year.

Iranian Arrives To Negotiate Oil Agreement

NC3101220495 Baku TURAN in English 1303 GMT 31 Jan 95

[FBIS Transcribed Text] Baku (January 31) TURAN—On January 30 a Vice-president of Iranian State Oil Company Sa'id Mehdi Hoseyni arrived in Baku. Today he met with the president of SOCAR [State Oil Company of Azerbaijan] Natic Aliyev and the vice-president of SOCAR Ilham Aliyev.

According to the informed source the purpose of his visit is to conduct negotiations with Azerbaijan within the framework of the agreement between Iran and Azerbaijan on the presenting to Iran 5 percent of share participation in the oil consortium for the development the Azeri, Chirag and Guneshli oil fields. "Iran is going to obtain the concrete steps in the implementation the agreement on the presenting the Iran 5 percent of share participation in the oil consortium," reports the same source.

Meetings of Sa'id Mehdi Hoseyni with the members of the Azeri government are expected, according to the secretariat of SOCAR.

As it has already been reported last November an agreement between Iran and Azerbaijan on presenting the 5 percent in the oil consortium to Iran was obtained between Baku and Tehran. That agreement arose the indignation of the US. The other day the US Embassy issued a statement in Baku opposing the Iran's participation in the consortium.

Radio Chief Discusses Satellite Issues in Turkey

NC3101215795 Baku TURAN in English 1133 GMT 31 Jan 95

[FBIS Transcribed Text] Baku (January 31) TURAN—Yesterday the Chief of the Production Union "Teleradio" in Azerbaijan's Ministry of Communication, Vagif Musayev, left for Turkey to clarify the technical issues on utilization of the Turkish satellite for broadcasting of the programmes of the Azeri television in Nakhichevan, Deputy Chief of "Teleradio", Sarvar Guliyev, told Turan.

The issues concerning establishment of the telephone network with Nakhichevan by help of the Turkish satellite will be also discussed there.

Guliyev said that the Turkish party's rate for annual utilization of the satellite is $1 million but it will agree to decrease the rate. He does not exclude the possibility that Turkey will offer broadcasting of the programmes of the Turkish television in Azerbaijan in exchange.

He mentioned that the Chief of the Production Union must settle the technical issues and the Ministry of Communication will settle the financial issues.

As was earlier reported, from January 3 Russia refused to broadcast the programmes in Nakhichevan by its satellite due to delay of payment by Azerbaijan.

Georgia

Azerbaijan To Supply Electricity in Exchange for Gas

LD0102094095 Tbilisi Radio Tbilisi Network in Georgian 0400 GMT 1 Feb 95

[FBIS Translated Text] A group of Sakenergo and Sakgazi officials has returned to Tbilisi after talks with their colleagues in Baku. It was decided that Georgia will supply Azerbaijan with 1.5 million cubic meters of gas a day] In return, Georgia will receive 100 MW of electricity a day. This should significantly improve the power supply situation.

Russian Troops Urged Not 'To Yield to Provocations'

LD3101181395 Tbilisi IPRINDA in Russian 1400 GMT 31 Jan 95

[FBIS Translated Text] Tbilisi—According to the Georgian Security Service press center, the Georgian Procurator's Office, the Security Service, the Ministry of Internal Affairs, and the Ministry of Defense issued a joint statement today. It says that, despite the terrorist acts carried out recently in Georgia and abroad, the authorities are gradually taking control of the complex crime situation in the country, which shows that the situation is stabilizing. As a result of the improvement of

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relations with Russia, the attitude of the country's population to the Group of Russian Troops in the Transcaucasus (GRTT] has become more positive.

The statement says that there are destructive forces in the republic that do not favor the establishment of good relations between Georgia and Russia. Two explosions outside the GRTT headquarters and the headquarters of the Russian border troops are evidence of this.

The "power" ministries of Georgia urged Russian servicemen and the republic's population not to yield to provocations.

Karkarashvili Shooting Motives Pondered

954F1113A Moscow SEGODNYA in Russian 26 Jan 95 p 7

[Report by Grigoriy Sanin, Artem Vetrov, Andrey Malyutkin, and Aleksandr Zakharov, under the rubric "Shooting": "The Generals Were Executed in the Early Morning: First Assassination of High-Ranking Foreign Military in Moscow"]

[FBIS Translated Text] The Republic of Georgia's former minister of defense, 28-year-old Georgiy Karkarashvili, and his first deputy, 38-year-old Paat Datuashvili, were assassinated yesterday in Moscow. SEGODNYA correspondents who visited the scene have managed to uncover a tentative picture of what happened.

At about 0830 Major General Karkarashvili and General Datuashvili left the General Staff's hotel at 121/1 Lenin Avenue. The officers were five to seven meters away from the central entrance when they were shot—apparently by a Kalashnikov rifle. Mr. Datuashvili was killed on the spot, while his former superior was wounded in the chest (the ambulance that arrived at the site of incident took the wounded to the intensive care department of a Moscow hospital). After firing about 15 bullets at their victims, the killers escaped in a car waiting for them nearby.

According to our information, several hours after the murder a group of General Staff operatives joined the investigation. There is information that it includes several officers of the General Staff's GRU [Main Intelligence Directorate]. Members of the operatives group refused to make any comment. Colonel Vladimir Nikanorov, deputy chief of the press and information administration of the Russian Ministry of Defense, also qualified the event as a terrorist act and remarked that he feels negative about this—as he would about any terrorist act.

According to some information, the Main Military Procuracy has also joined the investigation of the criminal case initiated on the fact of the assassination attempt on Major General Karkarashvili. Attempts by our SEGODNYA correspondent to contact anyone there were unsuccessful; the chief military procurator told the SEGODNYA correspondent through his secretary that he "has not yet been apprised" of the event.

It is not yet known under which article of the criminal code the case has been opened. By all attributes, however, the event falls under the definition of "terrorism." Observers note that this is the first event of this kind: There has never been an assassination attempt on the high-ranking military of another country in Moscow before.

Law enforcement organs are absolutely convinced that the event on Lenin Avenue is another contract murder. At this point the investigators do not know what may have been the reason for the assassination. There are rumors among the Georgian diaspora that during military operations in Georgia Mr. Karkarashvili supervised a demonstrative burning of the house of Zviad Gamsakhurdia's father and that the ex-dictator's relatives allegedly swore to exact revenge for this. Two months ago Mr. Karkarashvili's brother was killed. The capital city's special services are convinced that both those who ordered the murders and those who carried them out are to be found among the generals' compatriots. It is unlikely that Russian or ethnic organized crime groups operating on the territory of Moscow had anything to do with the assassination. Special services said they have no information on whether the killed and wounded generals were involved in illegal arms trafficking or other illegal actions.

In a quick telephone interview with SEGODNYA correspondent Vazha Lordkipanidze, the new Georgian ambassador in Russia, who assumed his duties three days ago, called the event on Lenin Avenue a terrorist act. Mr. Lordkipanidze said that the former Georgian minister of defense and his deputy had been in Moscow since September 1993 and were enrolled at the Russian Armed Forces General Staff Academy. The generals were studying successfully, and upon graduation from the academy in all probability were to assume quite high positions in the Georgian Ministry of Defense.

Mr. Lordkipanidze was at a loss even to speculate who could have benefited from the former minister's death. He was even less able to outline even vaguely the circle of suspects in carrying out the terrorist act. The head of the Georgian diplomatic representation expressed condolences to the victims' families and expressed the hope that in the very near future the criminals would be apprehended. Vazha Lordkipanidze also said that if necessary Georgian law enforcement organs will render whatever assistance may be necessary to Russian special services conducting the investigation.

[Box, p 7]

Georgiy Karkarashvili was born on 31 December 1966 in Tbilisi. Married, two children. Upon graduation from Tbilisi high school No. 2, he enrolled in the Tbilisi

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artillery military school, from where he graduated in 1987. Served in Germany, Azerbaijan, Georgia, and Ossetia.

During military operations in Ossetia, Mr. Karkarashvili met Tengiz Kitovani and became his supporter. In 1991-92 during the coup he joined the opponents of Zviad Gamsakhurdia's regime. He commanded the "White Eagle" battalion, and afterwards was military commandant of Tbilisi. According to our information, it was General Karkarashvili who commanded the military operations of Georgian troops in Abkhazia. On 6 May 1993 by decision of the Georgian parliament he was appointed minister of defense and National Guard commander. In February 1994 he resigned after a sensational scandal between the Georgian Ministries of Defense and Security. At the time Mr. Karkarashvili leveled charges of corruption against a number of highest-rank military and civilian leaders of the republic. During his short but stormy political and military career Mr. Karkarashvili was on numerous occasions mixed up in sensational state scandals involving corruption and arms and drug trafficking.

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Estonia

Baltic States Agree on Financing Peacekeeper Training

LD3101150295 Tallinn Radio Tallinn Network in Estonian 1000 GMT 31 Jan 95

[FBIS Translated Text] The deputy defense ministers of the Baltic states signed an agreement in Vilnius yesterday on financing the training of the Baltic Peacekeeping Battalion's servicemen. The training is to be carried out at the Adazi training center in Latvia. The six-month training of peacekeepers will cost around $60,000 for each of the Baltic states. This amount includes payments for medicine, transport, municipal, and other services, Jonas Gecas, secretary of the Lithuanian National Defense Ministry said.

The parliaments of Estonia, Latvia, and Lithuania are to decide on which country the Baltic battalion should be sent in order to carry out its peacekeeping missions. Gecas thinks that the Baltic battalion will start a peacekeeping mission at the end of 1996 at the earliest.

Finland Agrees To Admit Kurdish Illegal Immigrants

WS3101143495 Tallinn ETA in English 0756 GMT 31 Jan 95

[From Jan 31 HOMMIKULEHT p.1; "News Bulletin" No. 23/95]

[FBIS Transcribed Text] The Finnish Government will admit the Kurdish illegal immigrants from Estonia without a request from the UN high commissioner, head of the Finnish Interior Ministry refugee centre Risto Veijalainen said yesterday. Estonian Interior Minister Kaido Kama asked his Finnish counterpart Mauri Pekkarinen to admit the immigrants last Wednesday as the Finnish interior minister visited Tallinn.

The Foreign Ministry has completed the draft appeal and will relay it to Finland this week, Ministry Spokesman Juri Arusoo said. The UN high commission for refugees (UNHCR) fears that the admittance will release a flood of illegal immigrants to the Baltic states and Finland. Veijalainen stressed that this is a special case, because Estonia has no facilities for the immigrants and had to keep them in jail. A Finnish Government working group has been formed, but the admittance procedure has not yet been determined. It is not clear yet, what category of refugees the arrivals from Estonia should be included.

Minister: Lack of Russian Fuel May Increase Heat Prices

WS0102122495 Tallinn BNS in English 1834 GMT 31 Jan 95

[FBIS Transcribed Text] Tallinn, Jan 31, BNS—If the next few weeks fail to bring clarity whether Estonia will be able to obtain heating oil from Russia or not and the country will have to buy fuel oil from the West, the price of thermal energy may rise as much as 25 percent, Energy Minister Arvo Niitenberg said at a news conference Tuesday [31 January].

Estonia's heating oil supplies at present amount to 25,000 tons. Last year the country spent a total of 720,000 tons of oil on heating, the minister said. The Baltic nation will need 4 to 4.5 million kroons to purchase a major consignment of fuel oil from the West. "There's no shortage of natural gas and fuel oil, but we're short of financial resources," the minister explained.

The heating systems operated by the national energy company, Eesti Energia, are at present fired by gas, but other furnaces throughout the country still run on fuel oil, Niitenberg added. The price of gas is higher than that of Russian heating oil, but lower than the price of Western fuel oil, he noted.

President Promulgates New Citizenship Law

LD0102112095 Tallinn Radio Tallinn Network in Estonian 1000 GMT 1 Feb 95

[FBIS Translated Excerpt] President Lennart Meri promulgated the new citizenship law yesterday. The citizenship law, which was adopted by the Riigikogu [parliament] on 19 January with six votes against it, establishes a longer residence requirement than hitherto: six years instead of the present three. [passage omitted]

The new citizenship law rules out multiple citizenship for Estonian citizens. If a person has acquired some other country's citizenship through birth, in addition to the Estonian one, he has to relinquish one or the other when he reaches the age of 18. Some Riigikogu members have been protesting this clause in the law. They say that stripping a person who has accepted citizenship of some other country of his Estonian citizenship acquired through birth conflicts with the Constitution.

Anti-Russian Bias Perceived in Law

MM0102090595 Moscow PRAVDA in Russian 31 Jan 95 p 1

[Report by Lembit Annus: "It Is Easier To Become a Citizen of the Universe. Estonian Law Written in Blood"]

[FBIS Translated Text] Tallinn—A new law on citizenship has passed its third reading by an overwhelming majority in the Estonian State Assembly. "This was real nationalistic hypnosis, as though you could turn the clock back and recreate Estonia as it was in the 1930's." That was how Jaan Kaplinski, who voted "against," expressed himself.

It is hard to disagree with the poet and philosopher, who is respected in the country. I will merely note that the new law is based on three principles: the 1938 law on

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citizenship and the principles of consanguinity and succession of Estonian citizens. The latter means that the children of hereditary citizens receive Estonian citizenship by birth. In other words, it is given to them by one of the parents all but at the moment of conception. Apart from that, the law enshrines a double standard as regards citizens' rights. A very specific ideology is so patently obvious in it—that is, not to let the Russians living in our state acquire Estonian citizenship. The essential requirement—being proclaimed here—to save the Estonians as a nation is given material embodiment by means of this law.

The law firmly establishes the procedure for the granting and forfeiture of Estonian citizenship. Under the Constitution, no one can deprive an Estonian by birth of Estonian citizenship. But on the other hand, for naturalized citizens, an entire mechanism is established for deprivation of citizenship for all kinds of "sins."

As for equal rights, these do not exist even among the hereditary citizens. For example, in the manner of Muslim countries, unlike men, women in Estonia do not have and will not have the right to give their husband citizenship on the basis of their marriage. (Although this was allowed by the 1938 law on citizenship). But today the fear that Russian husbands of Estonian wives may overcrowd Estonia prevails.

And look at residence qualification. Whereas in the past few years, those applying for citizenship could do so on the basis of the formula two plus one years of living in Estonia, then soon this period will be doubled to five plus one years. In these five years, the applicant has to travel the path from a temporary or fixed-date residence permit to a permanent one. It is entirely probable that the period may be doubled. And 10 years means the year 2005. No matter how you look at it, the majority of Russians in Estonia cannot obtain Estonian citizenship following naturalization any earlier than in the third millenium.

A new aspect in the law on citizenship is the requirement to have a command of the state language. In three years of independence, only 8,688 people have passed the state language examination and received citizenship on this basis. So that the language filter has turned out to be the most reliable.

Now you also have to pass examinations on knowledge of the Estonian Constitution and the law on citizenship. Given that the applicant has to know these documents like the back of his hand, and also explain their meaning in Estonian, it becomes clear that not every Russian will clear this hurdle. Particularly those over the age of 70.

Something else is also perfectly obvious. All these obstacles will push the Russian people in Estonia into the bosom of Russian citizenship. There are now over 60,000 Russian citizens living in Estonia.

And so, the "ethnically pure" Estonian parliament has adopted a new law on citizenship. I do not know whether this is accidental, but it has been decided that it will enter into force 1 April, that is, April Fools' day! However, the country's president, L. Meri, has not has his say yet. He has the right to either proclaim the law or return it to the legislator if he sees that it is inconsistent with the Constitution.

Tupp on Resignation, 'Schizophrenic' Defense Situation

LD3101211395 Tallinn Radio Tallinn Network in Estonian 1800 GMT 31 Jan 95

[FBIS Translated Excerpt] Defense Minister Enn Tupp has handed a letter of resignation to Prime Minister Andres Tarand. [passage omitted] We have requested Enn Tupp to comment on this story. The interviewer is Priit Ennet.

[Begin recording] [Tupp] During this pre-election period at present it is impossible to evaluate everything adequately. The legal and political sides tend to get confused and I find that it would be more proper for me to resign because if I fail to do so, this situation and accusations will continue. Because, after all, everything is resolved along their own certain rules. The fact that things get magnified in the press or the whole mass media does harm to things, somewhat. [passage omitted]

[Ennet] What would you say about relations between the Defense Ministry officials? It is known that your relations with the [Defense Ministry] chancellor [Tarmo Molder, who first brought out accusations against Tupp] are not particularly good.

[Tupp] Well, our relations have never been good and naturally there are grievances, of course. Evidently the chancellor has some against me, too. But I find, however, that I was appointed to the position of minister and I, too, have very many grievances against him.

[Ennet] Are your conflicts of a personal nature or is there anything political behind it?

[Tupp] On my part there is nothing personal at all, no confict of this nature. I could not speak for him.

[Ennet] You have also withdrawn from the list [of candidates] for the Riigikogu [parliament, for the elections on 5 March]

[Tupp] Yes, yes.

[Ennet] Was that for the same reason?

[Tupp] Yes, for the same reason because a famous Frenchman has said: What is success compared with a peaceful conscience? This is perhaps the most apt thing to say on this occasion.

[Ennet] How do you see your future? Will you stay in politics or will you leave for good?

[Tupp] Well, this is a hard question. I think that I would like to go into methodological work in the same field

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[defense]. We in fact have all ends loose here, in the sphere of state defense, starting, say, from leadership. The present situation is in fact quite schizophrenic, with nobody knowing exactly what he is meant to be doing. [end recording]

Latvia

Strasbourg Assembly Admits Latvia to Council of Europe

LD3101144095 Riga Radio Riga Network in Latvian 1400 GMT 31 Jan 95

[FBIS Translated Text] Today a session of the Parliamentary Assembly of the Council of Europe took place in Strasbourg. It considered Latvia's admission to the Council of Europe. Our state delegation, headed by Parliamentary Speaker Anatolijs Gorbunovs, is currently in Strasbourg. This morning, Gorbunovs met Miguel Angel Martinez, president of the Parliamentary Assembly of the Council of Europe, and Council Secretary General Daniel Tarschys.

Today's assembly began with a report, after which followed debates. Then voting took place, at which it was unanimously decided to admit Latvia to the Council of Europe. The admission is still to be approved by the Ministerial Committee, a session of which will be held on 10 February.

Gorbunovs Comments on Admission

LD3101202595 Riga Radio Riga Network in Latvian 1800 GMT 31 Jan 95

[FBIS Translated Text] A session of the Parliamentary Assembly of the Council of Europe took place in Strasbourg today, at which the issue of Latvia's admission to the Council of Europe was considered. Taking part in the assembly session was our state delegation, headed by the Saeima Chairman Anatolijs Gorbunovs. The session began with a report followed by debates. Thereafter there was a vote, in which the assembly's members voted for Latvia's admission to the Council of Europe. The only one to express disfavor of Latvia's admission in the debates was Vladimir Zhirinovskiy, the leader of the Russian Liberal Democratic Party who took part in the session as a guest. All others were in favor of admitting Latvia, although many problems associated with minorities in Latvia were pointed out. Speaking about the decision, so important to Latvia, that was adopted today, Gorbunovs said in a telephone conversation from Strasbourg:

[Begin Gorbunovs recording] The Saeima delegation is satisfied that the vote was so unanimous for Latvia's admission to the Council of Europe. (?At present there is also a law that meant) a delay in the admission of Latvia. (?So far there has) also been perhaps a slight moral obligation, but the main thing, in my view, is that the deputies and experts in the Assembly of Europe had time to get familiar with the situation in Latvia, get familiar with our legislation, and with our Saeima deputies taking part here with guest status in the work of the European Assembly, in the committees there was time as well to clarify and also perhaps to express judgments as to how our legislation will proceed in future. All this, well, it surprised me, that on the one hand it was [words indistinct] very much more specifically discussing our legislation. The law must really be supplemented to correspond to the legislation of the Council of Europe. Our Saeima deputies will now take part in committee work as full members here, dealing with very specific issues. What will we get in return? I think that undeniably we will get experience in return, and the opportunity to act together and create legislative processes in Europe, and on the other hand we are also getting a certain security. These are the main considerations why we ought to perhaps continue this work and perfect it. [end recording]

For his part, Andrejs Pantelejevs, the leader of the permanent Latvian delegation to the Council of Europe reported that the Latvian delegation has managed to see to it that the document of recommendation adopted by the Parliamentary Assembly of the Council of Europe did not include the demand not to allow discrimination of people in Latvia with regard to language competence. The document contains a requirement obliging the local authorities, as well as several overseeing officials, to see to it that various kinds of violations are not allowed. The inclusion of these additional requirements in the documents are partly connected with the German television program ARD showing [word indistinct] about minority problems in Latvia.

Foreign Affairs Minister Comments on U.S. Visit

WS3101164695 Riga LABRIT in Latvian 18 Jan 95 p 1

[Report by Rita Zvidra: "Minister of Foreign Affairs Reports on His Visit in Washington"]

[FBIS Translated Excerpt] Foreign Affairs Minister Valdis Birkavs returned yesterday from a four day visit to the United States and Helsinki. The three main issues to be considered during both visits were defense, trade, and parliamentary cooperation.

Birkavs met in Washington with U.S. Secretary of State Warren Christopher and his deputies Strobe Talbott and Lynn Davis, as well as with U.S. National Security Council representatives.

"We went to the United States very concerned over the planned NATO expansion, because an ill-considered expansion of NATO can create new spheres of influence in Europe," said Birkavs at a news conference held at the airport.

The new plan for NATO expansion foresees the acceptance to NATO of the Czech Republic, Slovakia, Poland,

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and Hungary by 1999. The enrollment of the Baltic states in the alliance in this period is not foreseen in the plan.

Birkavs arrived in Washington with a Latvian project for NATO expansion, which foresees the enrollment of new members to NATO in the "checkers style"—which means accepting Visegrad countries and Baltic countries in mixed order. Birkavs emphasized that the Latvian proposal has caused great interest and will be taken into consideration when preparing the new NATO expansion plan. [passage omitted]

Nationals Demand Russian State TV Cut Off

WS3101164495 Riga DIENA in Latvian 20 Jan 95 p 1

[Report by Baiba Melnace: "LNNK Demands Cutting Off Transmission of Ostankino TV Program"]

[FBIS Translated Excerpt] Riga, 19 Jan — The board of the Movement for Latvian National Independence [LNNK] demands cutting off transmission of the Ostankino TV station broadcasts in Latvia immediately, and proposes broadcasting the program of the Moscow Independent Television [NTV] station instead, to provide the Latvian population with truthful information on the events in Russia, states the announcement of the LNNK board, addressed to the Cabinet of Ministers, General Prosecutor, and the Radio and Television Council of the Latvian Republic.

According to LNNK: "Broadcasting of Ostankino TV station creates national hatred and tension, and propagates violence. The station provides untrue and purposely distorted information on events in Chechnya and Russia, as well as in the Baltic states." [passage omitted]

Dmitryi Novikov, director of the NTV Baltic Bureau, talked during the Latvian TV newsreel "Panorama" on 15 January about complications, due to which the NTV leaders have considered the possibility of broadcasting their program from abroad, and there is a possibility that Latvia could be the place for it.

Already on Monday, the Latvian Radio and Television Council reacted by announcing at a press conference that "broadcasting on Latvian territory is regulated by law which states that permission from the Council should be obtained before undertaking any broadcasts." [passage omitted]

Technical Director of the Latvian TV Ilmars Muuls told DIENA that from a technical point of view, broadcasting of the NTV program from Latvia is possible, because the radio and television relay line from Latvia to Russia is not fully loaded.

Christian Democrats on the Draft Election Law

WS3101164695 Riga LABRIT in Latvian 17 Jan 95 p 2

[Report by Andris Vitenburgs: "KDS On Financial Limitations"]

[FBIS Translated Text] The Union of Christian Democrats [KDS] is of the opinion that the new law on the elections for the sixth Saeima [parliament] should contain the same principles of counting and dividing the mandates as the previous law. It should also contain the four percent barrier, as well as active and passive limitations on the voting rights. According to KDS member Vitols, the barrier will help avoid further partition of the political spectrum.

According to the KDS, it is most essential that the election law should define the principles of financing the election campaign by political parties, which would provide similar chances for every one of them. The suggested financial limit for one list of candidates is 50,000 lats. The above sum would consist of all expenses borne by the political party during the six month period before the elections, i.e. from 1 April to 1 October. As the KDS members have often emphasized, the elections should not become a competition among financial resources. In normal democratic states, political ideas should be the ones to compete, said the Christian democrats.

The KDS also expressed the opinion that only political parties and their coalitions should be given the rights to submit lists of candidates for the elections. Moreover, they suggest that the law should state the principle of responsibility of the candidate before his electorate: the deputy would lose his mandate in case he is excluded from the faction or leaves it on his own.

Lithuania

Case Stated for Baltic Defense Union

LD3101224995 Vilnius Radio Vilnius in Lithuanian 2200 GMT 31 Jan 95

[FBIS Translated Text] Only the creation of a Baltic defense union may ease and speed up the admission of Lithuania, Latvia, and Estonia to NATO. This was stated by one of the leaders of the Center Union, Seimas member Romualdas Ozolas at a press conference on Tuesday [31 January].

The Partnership for Peace Program, according to Romualdas Ozolas, was essentially "a rocking to sleep and plunging in thought program." The Baltic states must fight their way into NATO on their own, without waiting for Poland or other Visegrad countries to be admitted first, he stressed.

The drafting of the project of a Baltic defense agreement started at a meeting of the defense committee of the Baltic Assembly held in Riga last week. According to Romualdas Ozolas, the draft should be signed at the government level. A military union of the Baltic states would be capable of putting a more effective resistance to a possible aggression.

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Intelligence Operations in Russia Denied

LD3101125095 Moscow ITAR-TASS World Service in Russian 1014 GMT 31 Jan 95

[By ITAR-TASS correspondent Vladas Burbulis]

[FBIS Translated Text] Vilnius, 31 Jan (ITAR-TASS)—Jurgis Jurgelis, director of the Lithuanian National Security Department, categorically denies that the Lithuanian security services have been active on the territory of Russia, including in Chechnya. His denial came in an interview published in EKHO LITVY today.

"When leading Russian newspapers reported recently that Lithuanian special services were responsible for the killing (in Moscow) of the former deputy chairman of the Lithuanian SSR KGB, General Tsaplin, Russian Federation citizens cannot doubt that that was indeed what happened. And they naturally react the same way to the wholly unsubstantiated statements in the Russian press about the activities of the Lithuanian intelligence services in Chechnya," J. Jurgelis said.

The efforts being made by some Russian Federation political forces to blame Lithuania for the general's murder are wholly unsubstantiated. "We needed him not as a culprit but as a witness of the bloody events of January 1991 in Vilnius. We needed him alive, not dead, because he could have told us a lot about those events," the Lithuanian National Security Department director commented.

Investigators Track Down 'Nuclear Mafia'

MM0102095195 Moscow IZVESTIYA in Russian 31 Jan 95 p 8

[Report by Nikolay Lashkevich: "Nuclear Mafia Goes Out Onto Market"]

[FBIS Translated Text] Vilnius—The operation to catch nuclear speculators in Kaunas was carried out precisely by the Lithuanian special services and ended unpredictably: Uranium sellers Y. Vilchinskas and V. Karbauskas from Kaunas, without any coercion at their own will arrived at the Lithuanian state security department....

Thus the Lithuanian organs of law and order and security grasped the thread leading to a large mafia grouping engaged, it is believed in Lithuania, in the transportation, trading, and selling of various radioactive materials both inside and outside the republic. For a long time now they have received information from various sources to the effect that in Kaunas and several other cities in the country some citizens are seeking customers for uranium, which is in extremely short supply, and whose purpose there is no need to describe—everyone knows what it is used for. In general it was simple to catch the traders red-handed, but to uncover the communications channels and to find out the exact source of the uranium entering Lithuania and why the nuclear mafia has, to judge by the scales of the deals, set about developing the Lithuanian market, using it mainly as a transit market, and who stands behind the nuclear dealers was far more complex.

The state security workers, posing as influential customers, entered into contact with suspects Y. Vilchinskas and V. Karbauskas and were immediately convinced that they had found the trail: The sellers offered them a sample, 15 grammes of unenriched uranium-238. There was a deal. The Kaunas men wanted to sell the uranium for $2,000 a kilogram. If you consider the appetites of the phony purchasers who had designs on as much as 1.5 quintals of this material, then the sellers' profit would be about $300,000. The security agents had just $3,000 in their pockets so they first paid a deposit and then with the dealers traveled to Vilnius, to their "office," for the balance of the sum. Instead of being taken to an office the uranium dealers were delivered straight to the state security department since they had no idea where they were being taken. The first unprocessed results of the investigation have made them put their heads between their hands: A container with several kilograms of uranium was according to preliminary results radiating 800 milliroentgen an hour, which is tens of thousands of times the natural background radiation.

The carried out searches while the trail was hot. The prosecutor's office and the security department are very reluctant to report new finds but it has become known that a further two people are under investigation. One Vilnius inhabitant has been arrested. Actually, the investigators admit that this time it is not a big "fish" that they have caught. Many are merely middlemen but so far they have not managed to get to the nuclear mafia which is making cunning use of those who want to get rich quick and which is remaining in the shadows.

In the opinion of Yu. Yurgyalis, general director of Lithuania's state security department, there are two options—the internal and external: If it is established that uranium is being used as fuel for nuclear electric power stations then it is imported or stolen at the Ignalina nuclear power station. It was no accident that the search was conducted in Visaginas, the nuclear power workers' city. As we know, over two years ago some station workers stole or helped to steal a uranium fuel assembly [uranovaya kasseta] with a capacity of about 100 kg of uranium and costing about $50,000-60,000. To this day the fuel assembly has not been found. According to the latest information from the study which has been carried out at the Institute of Physics, the confiscated container contained uranium-238 mixed with uranium-35, which can be used in reactors of the high-power pressure-tube type and consequently at the Ignalina nuclear electric power station. Has the lost nuclear material really been discovered?

The investigation into cases of lost nuclear material from nuclear electric power stations subsided long ago and rumors remained at the stage of bold suggestions. But it looks as though the crime forecast is gradually coming

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true. At any right it is now reliably known that the trade in radioactive materials in Lithuania is on a broad footing. There is no doubt that nuclear suppliers from Russia are helping it to flourish—there is nowhere else nuclear raw material can come from. It is also delivered mainly from Russia to the Ignalina nuclear electric power station.

According to reports which have reached the Lithuanian press, about 100 kg of uranium are now "wandering around" on the Lithuanian black market. It is not out of the question that Visaginas is one of the main centers of the nuclear mafia under suspicion in the Lithuanian prosecutor's office. There are more than enough grounds for this suspicion. To the sensational story of the sale of the fuel assembly one can add the long-standing case involving the zirconium which was stored in the garage of one of the city's inhabitants for which a thief who decided to steal it from the garage paid with his life. As we can see, the stakes are very high. The degree of security at the station may perhaps be judged by a fresh example: Recently at night 21 tonnes of various cables were stolen from the nuclear power station's territory. We should consider that the station and its territory are very carefully guarded, particularly after the cases of nuclear blackmail with which everyone is familiar. Nonetheless thefts take place.

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